The Real Costs of Homelessness for Young People

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The impact of homelessness has been one of a number of studies in Australia. Perhaps the best known is the Project i study, which was based on a longitudinal survey covering the health and social circumstances of young people experiencing homelessness in Melbourne (for example, Rosenthal et al, 2008, Rosenthal et al, 2007). The Project i study revealed the relevance of whether the number of studies in the youth homelessness field.

The Need to Cost Youth Homelessness

The profile of young people experiencing homelessness drawn from the Project i study is suggestive of a high cost associated with youth homelessness. This high cost is associated with health and justice expenditures in particular (for example, nights in hospital, rehabilitation service use etc) but also foregone benefits associated with non-engagement with education, training and work. However, while there has been an emerging focus on the economics of adult homelessness in Australia (for example, Flatau and Karetzky 2008, Flatau et al, 2008, Flatau et al, 2012), there has been no detailed Australian study in the youth homelessness domain.

The purpose of the present study is to fill this gap; doing so in such a way that we also address the key drivers of homelessness costs around health and justice issues and the impact that services may have for homeless youth as well as those at risk of homelessness.

The need for a sound evidence base for policy has been a major focus of recent policy discussions. The Road Home noted that policy on homelessness has to be informed by rigorous evidence particularly evidence that draws from cost data and longitudinal survey data, and that such data is essential to lay the foundations for proper economic analysis to fully inform policy makers and answer questions. This study will help fill this gap in the youth homelessness field.

National Longitudinal Study

The Costs of Youth Homelessness in Australia (CYHA) project is a research project with a nationwide scope covering young people across Queensland, New South Wales, the Australian Capital Territory, Victoria, South Australia and Western Australia. It aims to establish the economic and social costs of youth homelessness while also understanding as much as possible about the health and social circumstances of young people who are either homeless or at risk of homelessness and how these circumstances drive such costs.

Importantly, as the study will be following young people over a three year time span as they go through, leave and perhaps also re-enter support from services, we can also develop the evidence base on the effectiveness and impact of that support. What does support achieve for young people who are homeless or at risk of homelessness? What outcomes accrue in economic and social circumstances, in areas such as drug dependence and quality of life? The study has a focus on establishing the total cost of accommodation and support for young people in need but also addresses the question of what savings to health and justice functions may accrue to governments as a result of effective support for people experiencing homelessness.

The CYHA study is funded under the Linkage Project scheme of the Australian Research Council (ARC) and is a collaboration between partner organisations: Mission Australia, Anglicare and The Salvation Army and higher education organisations: Swinburne University and the University of Western Australia. The involvement of these partners as well as other agencies that supported the study enabled the researchers to successfully implement the first stage of the study across a large number of sites around Australia. The forthcoming 2012 Homelessness Conference in Melbourne will be the first time preliminary results from the baseline CYHA survey will be released.

At the core of the study is a longitudinal study tracking young homeless and at risk young people into and through the homeless service and support system. The relevant survey instruments ask respondents a broad range of questions on the health, social and economic circumstances of the young person including their sense of well-being, self-efficacy and quality of life as well as estimating the costs of homelessness. This is done by using recall information from the respondent on participation in and use of education, employment, health and justice facilities and costing these at their appropriate unit price.

While we have only just completed Wave 1 of the CYHA survey we are able to offer some insight into the challenges of surveying homeless youth for the CYHA project. Considering that we have largely relied on agency staff to administer a lengthy survey with a marginalised youth population, we believe that our final sample of just over 250 participants is a good outcome. This would not have been possible without the interest and dedication of a great number of agency staff from around Australia.

Key Challenges and Strategies for Gaining Agency Participation

There have been a number of key challenges involved in undertaking the study and getting services “on board” has been the main challenge to date. Due to the complexity of needs among the target cohort, there is a requirement for a lengthy and detailed survey to get comprehensive results on the costs of youth homelessness. The responses of services to this have not always been forthcoming. Main reasons for non-participation were a sense of being over-researched and over-evaluated.

The study relies heavily on the support of caseworkers to administer surveys and not having adequate staff resources was a problem for some. The “intrusive” nature of some of the questions and the significant apprehension of or misconceptions around the use of “economic” studies of youth homelessness was also an issue. At times, persuading agencies to participate and researchers needed to tread carefully when making requests for agency participation.

As mentioned, the CYHA survey is long—“thank you for completing the survey” finally appears on page 48! Survey completion requires a good deal of concentration. Yet we were surveying a cohort where most of the participants have left school early and had most likely been severely disengaged from school prior to leaving. ‘Homeless youth are going to find it hard to pay attention for that amount of time’ was a
Caution: Cost Study Ahead

It was important to be aware that any study of social services involving the word ‘cost’ is likely to be met with a degree of apprehension in the community; especially from those that work at ‘the coalface’. Homelessness is an emotive topic—for good reasons. Working with homeless youth is challenging, often confronting and requires a high degree of compassion. A study that puts a dollar figure on the needs of this group seems sterile and distant for some. The term ‘cost-cutting’ is immediately suspected. One agency overtly questioned whether or not this was a ‘big brother’ study.

Pinkney and Ewing (2006) reviewed the literature around agency staff members’ unease and misconceptions about economic research. They found that agency staff may:

• Show ambivalence around the use of economic analyses and arguments for what is essentially a humanistic service with humanistic goals.
• Fear researchers may make blanket statements about agency costs, of which a large proportion is staff salaries, resulting in evidence to support crude cost-cutting measures.
• Fear that researchers may report on economic outcomes from programs and interventions which may have not been sufficiently evaluated or which are difficult to show measurable differences.
• Object to decisions being underpinned by ‘economic efficiency’ rather than on the provision of services that meet basic human rights.
• Question the idea or need of coming up with a ‘number’ in order to argue for more resources, rather than through service or program need.

Thankfully, in the present study, when it came to agencies’ understanding and approach to the CYHA project the above fears and misconceptions about economic research were exceptions rather than the rule. However, as researchers it is important to bear in mind the power of evidence and the responsibility of undertaking this type of analysis in the homeless service sector. We must be particularly mindful of the valid concerns of those who are affected by the give and take of funding bodies—service providers and service recipients alike—and, where possible, define costs in both economic and social terms.

We would hope that the present study avoids the pitfalls noted in some of the valid concerns above. However, we would see great benefit to the homelessness support sector from understanding more about the economic and social costs associated with youth homelessness and more about the possible potential for cost savings through effective service delivery.

It is, of course, ultimately a matter of the evidence as to whether there are high costs associated with youth homelessness and whether effective programs that engage the client group, and that divert young people away from homelessness (and related) serve a present value for money. And this is the whole point of the present research. To create knowledge linked to, and based on, the reality and lived experiences of young people. We would hope that that knowledge has significant public use value returning a direct benefit to those young people who are presently homeless and those that may be of risk of homelessness in the future.

References


Pinkney, S, and Ewing, S 2006, Costs and Pathways of Homelessness: Developing policy-relevant economic analyses for the Australian homelessness service system, Department of Family and Community Services and the National SAP Coordination and Development Committee.


