

## *THE FIRST STEP* INITIATIVE

Commented [smm1]: "Project"? "Goal"? "Strategy"? "Plan"?  
"Campaign"?

### **Executive Summary**

Over the last two decades, the standard shelter model has evolved into something much more comprehensive and significant. Today's shelter is a resource center, designed as the point of entry into a multi-stage recovery process. It serves first as a safety net for the homeless, and then, through offering a variety of necessary human services, immediately acts to address the causes of individual homelessness and the obstacles that currently bar these individuals from regaining housing.

In recognition of this fundamental change, we have designed the First Step Initiative. Shelters offer a "safety net" for those who have fallen into homelessness. But after the "safety net" begins the process toward the ultimate goal of building a permanent and stable home. Each individual has their own "first step" in this process – be it substance abuse treatment, eliminating debt, employment training, or so on – and we must walk alongside individuals and empower them to take those first steps.

The face of homelessness is incredibly diverse – there can be no one definitive image of a homeless person. Every individual, every past, every situation, is different. Likewise, every first step will be unique.

The First Step Initiative asks for an increase in funding for shelter-provided human services that directly assist in rehousing individuals. This is an extremely cost-efficient alternative to other commonly-used state resources, such as the court system, overcrowded jails, or public hospitals.

*We request this in order that every man, woman, and child may take their first step, and each one after, toward finding a permanent, stable housing situation.*

### **Introduction**

In recognition of the changed nature of homeless shelters and the services they provide, and in recognition of the necessity of these services to achieving stable, permanent housing situations for all, we present the First Step Initiative. This initiative seeks additional funding for supportive services that directly assist in rehousing the homeless through confronting the obstacles that block this goal.

### **Rebranding Homelessness**

The driving concept behind the First Step Initiative is three-fold:

- 1) To shift focus from the outdated, traditional image of an overnight emergency shelter to the comprehensive resources model currently utilized;
- 2) To demonstrate the ripple effect that homelessness has on various aspects of society and the effectiveness, in terms of both financial and social costs, of comprehensive programs working towards rehousing homeless individuals and families;
- 3) To break down stereotypes of the homeless by demonstrating the diversity of these

individuals and the obstacles they face.

Commented [SM2]: Too ambitious to aim for this as well?

## The First Step Initiative

Two decades ago, the predominant shelter model was that of “sheets and eats” – giving the homeless a warm meal and a safe place to sleep, with the hope that they would be able to find their way out again on their own.

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This model has proven to be insufficient, however. Without addressing the root causes of homelessness and the barriers individuals face to regaining permanent housing, any effort at combating its growth will fail in the long-term. Today’s model has evolved into something significantly more comprehensive than the simple overnight shelter of decades past. Organizations now take a holistic approach to ending the homelessness of individuals through identifying and addressing needs and subsequently linking individuals to a comprehensive range of services, such as:

- Individualized case management;
- Substance abuse treatment;
- Mental health counseling;
- Educational assistance;
- Employment training;
- Life skills development, such as parenting, financial management, nutrition, and so on;
- Transitional housing programs.

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This is an outcome-focused model, where the ultimate goal is the restoration of individuals to permanent housing through addressing the obstacles that stand in their way. It is designed to empower the individual and assist them in regaining control of their lives, and ultimately allow them to regain permanent and stable housing.

### *Taking that first step*

The First Step Initiative recognizes a fundamental truth – today’s shelter is not an end, but a beginning. It is the initial point of entry into a process of full recovery, where men, women, and children may find a safe place to sleep and a warm meal, and then immediately turn to developing individualized plans to get them out of homelessness. Shelters address the needs of a diverse and desperate group of citizens while working towards a sustainable housing situation for every man, woman, and child, which may include transitional housing, permanent supportive housing, Section 8 vouchers, or independent housing. After arriving at the shelter, this process begins with a first step by the individual.

What is a “first step”?

- For a single mother, it may be attaining employment skills.
- For a former businessman, it may be substance abuse treatment.
- For a grandmother, it may be recovering her overdue pension.
- For a second-grader, it may be tutoring in his most difficult subject.

Commented [smm5]: Are these good examples?

These first steps are the measures that individuals must take to start their path back to permanent housing, and are assisted by numerous comprehensive homeless resource centers around the state.

*The face of homelessness*

People land in these desperate situations for a variety of reasons, and the face of homelessness in Illinois is incredibly diverse.

The following are point-in-time statistics for the state of Illinois, as reported by Housing & Urban Development (HUD). These are the number of homeless counted throughout the state during one night in the year 2007, intended as a representative sample:

**State Name: Illinois**

**Summary by household type reported, aggregated to the state level:**

	Sheltered		Unsheltered	Total
	Emergency Shelter	Transitional Housing		
Households without Children	3,973	1,928	2,626	8,527
Households with Children	600	1,446	227	2,273
<b>Total Households</b>	<b>4,573</b>	<b>3,374</b>	<b>2,853</b>	<b>10,800</b>

	Sheltered		Unsheltered	Total
	Emergency Shelter	Transitional Housing		
Persons in Households Without Children	3,994	1,988	2,671	8,653
Persons in Households with Children	1,919	4,270	645	6,834
<b>Total Homeless Persons in Households</b>	<b>5,913</b>	<b>6,258</b>	<b>3,316</b>	<b>15,487</b>

**Summary of homeless persons by subpopulations reported, aggregated to the state level:**

	Sheltered	Unsheltered	Total
Chronically Homeless	1,434	1,247	2,681
Severely Mentally Ill	2,045	971	3,016
Chronic Substance Abuse	2,518	1,330	3,848
Veterans	945	385	1,330
Persons with HIV/AIDS	250	144	394
Victims of Domestic Violence	1,960	453	2,413
Unaccompanied Youth (Under 18)	366	35	401

Monday, June 23, 2008

**Commented [smm6]:** Do these work well? Are there better statistics out there?

It has been suggested that these numbers may even be higher – up to 21,078 in a single night for the city of Chicago alone, where as many as 160,000 may become homeless each year. In the state as a whole, 10,000 families become homeless each year, plus thousands of individuals outside of children-inclusive households.<sup>1</sup>

The subpopulation breakdown rendered above gives a small idea of the diversity of the homeless population. The national statistics show that, on average:

- 26% are veterans<sup>2</sup>;

<sup>1</sup> The Chicago Coalition for the Homeless.

<sup>2</sup> National Law Center on Homelessness and Poverty.

- 39% are under the age of 18, and 42% under the age of 5<sup>3</sup>;
- 37% have substance abuse problems and 22% have mental health problems (10% and 8% for those in households with children)<sup>4</sup>;
- 65% of those with children are female, and families with children comprise 23% of the American homeless population<sup>5</sup>;
- 67.5% of single adults are male, with single adults comprising 77% of the population<sup>6</sup>;
- 42% are black, 39% are white, 13% are Hispanic, 4% are Native American, and 2% are Asian.<sup>7</sup>

<insert stories from shelters around the state>|

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There can be no one definitive image or stereotype of the homeless – they cover a wide demographic range, from small children to aging veterans, from laid-off workers to abused women. And, perhaps, it could be one of us at some time as well.

#### *Cost-effectiveness analysis*

In FY 2009, the state dedicated \$9.4 million to “Emergency Food & Shelter.” This encompasses both emergency shelters and transitional housing, and is divided among 88 agencies and Chicago who provide such services. As agencies seek to address the obstacles keeping people out of stable housing, their resources are diverted towards the individual case management principles previously discussed.

The success of these rehousing techniques is astounding, and from a fiscal perspective, ending homelessness through supportive human services is a sound budgetary principle.

There are studies that evidence that various measures taken to move individuals and families out of homelessness have proven to be both effective and cost-beneficial. The following are examples that show a direct correlation between investment in supportive services and reduction of other budgetary and social costs.

- A study conducted following the New York/New York initiative, which created over 3,500 units of supportive housing for the mentally ill, found that \$16,282 was saved in other social services costs per unit – equivalent to nearly 95% of the cost of the housing program. Less than \$1,000 per year was devoted to each individual after taking these reductions into account, and these men and women were able to reclaim their lives with dignity in a stable situation.<sup>8</sup>
- The *New England Journal of Medicine* published research showing that homeless patients in hospitals spend an average of four days more per visit than comparable patients who are

<sup>3</sup> National Coalition for the Homeless.

<sup>4</sup> NLCHP.

<sup>5</sup> NCH.

<sup>6</sup> Ibid.

<sup>7</sup> NLCHP.

<sup>8</sup> Corporation for Supportive Housing – University of Pennsylvania New York/New York Cost Study.

housed, resulting in an average cost of \$2,414 per person to taxpayers. The principal cause cited by hospital staff is the inability to place psychiatric patients (the most prevalent demographic, with 57% of patients having psychiatric disorders as a sole or coexistent condition) in housing. An inability to rehouse these individuals resulted in increased state expenditures, and the study recommended more focused services for the homeless as a cost-effective and humane method of dealing with this crisis.<sup>9</sup>

Studies regarding individual services themselves are also revealing. These are also part of the effort to end homelessness, as are the emergency shelters that link individuals to such services. Consider the impact of substance abuse treatment alone. As substance abusers comprise approximately 25% of the Illinois homeless population, this is a serious and relevant consideration.<sup>1</sup>

- Three years ago, researchers compared two sets of drug offenders – those in New York’s DATP (Drug Treatment Alternative to Prison) program, and those incarcerated in New York prisons. DATP saved the criminal justice system alone over \$47,000 per person during the six years of the study – a total of more than \$7 million state dollars. Recidivism rates were also lower – there was a 24% reduction in the amount of drug-related re-arrests following the program. Note that these significant savings did not include other potential benefits, such as lower crime rates and reduced public assistance, among others.<sup>10</sup>
- Similarly, a study conducted by the Maryland State Commission on Criminal Sentencing Policy found that the yearly cost of incarceration for a drug offender in Maryland was \$20,000, as opposed to \$4,000 for drug treatment.<sup>11</sup> The Washington State Institute for Public Policy found that programs conducted outside of the prison context yielded \$8.87 of cost benefits for every one dollar spent on the program, as opposed to between \$1.91 and \$2.69. These programs had higher completion and lower recidivism rates, which significantly impacted the outlay of community resources.<sup>12</sup>
- Consider another program in Santa Cruz, California, which used intensive case management techniques for low-income individuals; the results included a 54% reduction in emergency room visits and a 30% reduction in days spent in prison.<sup>13</sup>

Returning to a broader context, what is the overall economic impact of simple rehousing strategies?

- *Forbes* cites a study showing that the 150,000 people in the United States deemed

<sup>9</sup> Salit, Sharon A., Evelyn M. Kuh, Arthur J. Hartz, Jade M. Vu, and Andrew L. Mosso. 1998. “Hospitalizations Costs Associated with Homelessness in New York City.” *New England Journal of Medicine* 338(24): 1734-1740.

<sup>10</sup> Zarkin, Gary A., Laura J. Dunlap, Steven Belenko, and Paul A. Dynia. 2005. “A Benefit-Cost Analysis of the Kings County District Attorney’s Office Drug Treatment Alternative to Prison (DTAP) Program.” *Justice Research and Policy* 7(1): 1-26.

<sup>11</sup> McVay, Doug, Vincent Schiraldi, and Jason Ziedenberg. 2004. “Treatment or Incarceration? National and State Findings on the Efficacy and Cost Savings of Drug Treatment Versus Imprisonment.” *Justice Policy Institute*.

<sup>12</sup> *Ibid.*

<sup>13</sup> Barnhart, Scott and Bill Block. “We have to do more than maintain the homeless problem.” *Seattle Post-Intelligencer* Nov. 22, 2006.

“chronically homeless” (about 5 to 10% of the total homeless population) cost \$10.95 billion per year in public resources. Were these individuals to become permanently housed, the expenses would drop to approximately \$7.88 billion – a significant decrease, at nearly 30%. The New York Coalition for the Homeless states that a chronically homeless individual could be housed for as low an amount as \$12,500 per year.<sup>14</sup> The costs of the services that could expedite this process are more than offset by this significant reduction.

Substance abuse treatment, mental health counseling, aid in attaining permanent housing – these are but a few of the services that today’s modern comprehensive homeless shelter seeks to provide. These statistics ably show that the cost of homelessness to individuals and society is much greater than the cost of funding appropriate programs that restore hope in people’s lives and give them the tools and opportunities they require to obtain a stable housing situation. This process begins with the emergency shelters around the state who link individuals to these programs, enabling homeless men, women, and children to take their first step out of homelessness and toward a brighter future.

### **Call to Action**

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Recognizing the drastic nature of this tragedy in Illinois, drastic action is necessary. We therefore request an increase of \$10 million to the “Emergency Food & Shelter” program, administered through the Illinois Department of Human Services, to exclusively fund services that enable individuals to reclaim their lives and move into permanent housing once again. These services include:

- Case management
- Substance abuse treatment
- Mental health counseling
- Employment training
- Educational assistance
- Life skills development
- Transitional housing programs

We also request a resolution renaming the “Emergency Food & Shelter” line item to “” in recognition of this expanded, comprehensive model of addressing basic human needs and empowering men, women, and children to take their first step out of homelessness and toward a promising future. This more fully captures the role of shelters in the long-term process of rehousing individuals and families.

**Commented [smm10]:** Ideas for renaming the line item? Key terms: “first step,” “homelessness,” “rehousing,” etc.

The State already funds the safety net system that catches homeless individuals and families when they fall – this must be expanded to include measures that help them stand again. We must do more than stem the tide of homelessness – we must end it. Every year, tens of thousands of Illinois citizens become homeless. If we can beat that number by moving more individuals and families back into housing than are currently becoming homeless – if we can stay even just one person ahead of those numbers – we will be pushing back the tide of homelessness, and the day may come when the need for such services is rare.

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<sup>14</sup> Oxford Analytica Daily Brief. “Cutting the Cost of Homelessness in U.S.” *Forbes* Aug. 28, 2006.

With such resources, we can invest in a healthy system – saving state resources, creating solid communities, and effectively empowering people to fully reclaim their lives.

## **Conclusion**

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The First Step Initiative is an innovative, success-focused approach to rehousing the homeless. Shelters act as the point of entry into a multi-stage process that effectively empowers individuals to take their first step toward achieving permanent, stable housing solutions. Through their important role in linking homeless individuals and families with vital supportive services, shelters tackle the specific root causes of homelessness and the unique obstacles each person faces in a personalized manner, enabling men, women, and children to move out of homelessness and into a brighter future. The First Step Initiative supports these aims through requesting vital funding to make these successful outcomes happen and by demonstrating the importance of a comprehensive approach to combating homelessness, ensuring that every man, woman, and child can achieve the opportunity to live in a home of their own.

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