



SOCIAL RETURN ON INVESTMENT ANALYSIS
CHICAGO BOOTH | BOARD FELLOWS
RICHARD DAY & MICHAEL PALMER

2019 Funding



\$2.5 M

Individual Permanent Supportive Housing

Includes RSSI Housing Stability Program and Supportive Housing Outreach Team Program



\$1.6 M

Family Support Program



\$173K

Homelessness Prevention Program

Individual Permanent Supportive Housing

Research

2010 Social Burden of Unsheltered Homeless

| | Mean | SD |
|-----------------|---------------|--------------|
| Hospitalization | 25,017 | 3,907 |
| Emergency visit | 2,458 | 343 |
| Outpatient | 1,308 | 165 |
| Residential SAT | 1,181 | 363 |
| Nursing home | 3,272 | 789 |
| Legal | 3,060 | 847 |
| Housing | 1,106 | 192 |
| Case management | 104 | 18 |
| Total | 37,506 | 4,328 |

Line items Impacted by RSSI

Unadjusted cost of homelessness

2019 Social Cost of Homelessness in Chicago Adjusted for Inflation

\$44,000
Annually




Sources:

Comparative Cost Analysis of Housing and Case Management Program for Chronically Homeless Adults Compared to Usual Care
Anirban Basu, Romina Kee, David Buchanan, and Laura Sadowski - [JGIM](#)

Permanent Supportive Housing

Social Return on Investment
Supporting 208 People

For every \$100 spent, we save:

| | | |
|--------|---|--------------------------------------|
| -\$85 |  | Healthcare Expenses |
| -\$30 |  | Legal/Criminal Justice Expenses |
| -\$12 |  | Emergency Shelter and Other Expenses |
| <hr/> | | |
| -\$127 | | Total Savings |

27%
YOY Return

Family Supportive Housing

Research & Assumptions

Line items Impacted by RSSI

| Per Person Cost of Youth | Excess Fiscal | Excess Social |
|--------------------------------|---------------|---------------|
| Lost earnings | | 5,031 |
| Lost tax payments | 1215 | |
| Crime: public expenditures | 8081 | 8,081 |
| Crime: victim costs | | 5,172 |
| Health: Public expenditures | 794 | 794 |
| Welfare: support programs | 430 | 430 |
| Welfare: transfer payments | 4374 | |
| Education: public costs | -233 | -233 |
| Education: private fee savings | | -266 |
| Marginal excess tax burden | | 1,504 |
| Housing: public support | 2491 | -1,875 |
| Total | 17152 | 18,638 |
| Total Used in Model | | 18,638 |

| | |
|--|--------|
| Cost of Living Multiplier (Minneapolis to Chicago) | 0.50% |
| 2011 to 2019 Adjustments for Inflation | 21,380 |

1.3 Adults per Household

Adult SROI analysis similar to that performed in permanent supportive housing

101 Youth and Children

Annual Social Cost of Homeless Youth

\$21,380

Sources:

Evans WN, Sullivan JX, Wallskog M. The impact of homelessness prevention programs on homelessness. Science. 2016.



Family Supportive Housing

Social Return on Investment
Supporting 45 Families

- 59 Adults
- 101 Children

90.1%

YOY Return





Homelessness Prevention

Cash transfers for individuals facing homelessness in Chicago can reduce the risk of experiencing homelessness by 76%, with effects lasting at least two years.

Source: Evans WN, Sullivan JX, Wallskog M. The impact of homelessness prevention programs on homelessness. *Science*. 2016.

SROI - Homelessness Prevention Program

| | |
|---|-----------------|
| Families Served | 65 |
| Percent homeless without intervention | 2% |
| Reduction in probability of homelessness | 76% |
| Reduction in homeless adults | 1.3 |
| Reduction in homeless children | 1.4 |
| Total adult cost avoided over three year time horizon | \$165,863 |
| Total child cost avoided over three year time horizon | \$86,794 |
| Total Savings, three year horizon | \$252,656 |
| Total Program Cost | \$172,960 |
| Net Savings | \$79,697 |

Homelessness Prevention

Social Return on Investment

46.1%

Social Return On Investment Summary



Permanent
Supportive Housing

27%



Family Support
Program

90%



Homelessness
Prevention Program

46%

Appendix: Permanent Supportive Housing

\$2.5 M



| | |
|---|----------------|
| Cost of Homelessness | |
| Homeless individuals served | 208 |
| Annual Cost of Homelessness (per person) | 44,000 |
| Societal Cost of Homelessness | 9,152,000 |
| | |
| Cost of RSSI Services | |
| RSSI Cost per individual | 11,891 |
| RSSI Annual Permanent Supportive Housing Cost | 2,473,320 |
| | |
| Residual Social Costs | |
| Cost per individual | 28,959 |
| Annual Cost | 6,023,552 |
| | |
| Tax Revenues | 24,302 |
| | |
| Net savings | 679,430 |
| SROI (%) | 27% |

Appendix: Family Support Program

\$1.6 M



| | |
|---|------------------|
| Social Cost | |
| Annual Adult Cost | 44,000 |
| Annual Youth Cost | 21,380 |
| | |
| RSSI Number of Adults | 59 |
| FSP Allocation for Adult Funding | 586,395 |
| Annual Societal Cost of Adults | 2,574,000 |
| RSSI Cost per Adult | 10,024 |
| Annual Social Cost pp of RSSI Clients (Non-RSSI Services) | 28,959 |
| Total Net Savings for Adults | \$293,481 |
| | |
| RSSI Number of Children | 101 |
| FSP Allocation for Child Funding | 1,012,409 |
| Annual Societal Cost of Children | 2,159,417 |
| RSSI Cost per Child | 10,024 |
| Total Net Savings for Youth | 1,147,009 |
| | |
| Social Return on Investment | 90.1% |

Appendix: Homeless Prevention Program

\$173K



| | |
|---|--------------------|
| Families Served | 65 |
| Percent homeless without intervention | 2% |
| Reduction in probability of homelessness with intervention | 0.8 |
| Reduction in homeless families | 1.0 |
| Reduction in homeless adults | 1.3 |
| Reduction in homeless children | 1.4 |
| | |
| Annual cost of homelessness, per per adult | 44,000 |
| Total adult cost avoided over three years, 3.5% discount rate | 165,863 |
| Annual cost of homelessness, per per child | 21,380 |
| Total child cost avoided over three years, 3.5% discount rate | 86,794 |
| Total Savings | 252,656 |
| | |
| Total Program Cost | 172,960 |
| Net Savings | \$79,696.16 |
| | |
| Social Return on Investment | 46.08% |