
Researchers looked at actual cost records of service providers and individual service records to determine costs. Previous studies in other states used estimated cost calculations and estimated service contacts to determine costs.

The great majority of participants (97 percent) have severe mental illness; more than a third also suffer from chronic alcohol or drug abuse.

Other reductions reported in the study include a 95 percent decrease in incarceration costs and a 32 percent decline in ambulance transportation costs. Homeless people who obtain supportive housing avoid returning to emergency shelter, cutting emergency shelter costs by 99 percent.

Total costs, including that of providing the permanent supportive housing, were lower for people living in supportive housing by \$1,348 per person. That is a total savings of nearly \$220,000 over 6 months for the 163 people in the study.

“This study shows that providing permanent housing and services to people with mental illness or substance abuse issues is cost-effective, even in rural settings,” said Nancy Fritz, Director of Homeless Initiatives for Governor Baldacci. “It offers clients a higher level of personal stability.”

MaineHousing Director Dale McCormick said the findings provide a winning strategy for Maine.

“Providing permanent housing saves the taxpayer money and improves the lives of people who are homeless in rural Maine,” McCormick said. “Everyone benefits.”

The study found an equally dramatic improvement in the quality of life, measured in areas that include work, learning, health, relationships, understanding self, and independence.

“I have regained my self-assurance, which was absolutely taken from me during my 11 months of homelessness,” one supportive housing tenant said.

Meanwhile, income increased on average by 77 percent. The number of study participants reporting that they had no income declined from 41 percent to 17 percent.

The mission of Shalom House, Inc. is to offer hope for adults living with severe mental illness by providing a choice of quality housing and support services that help people lead stable and fulfilling lives in the community.

Visit our Web site at www.shalomhouseinc.org.

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If you would like more information about this topic, or to schedule an interview please call Melany Mondello at 207-874-1080 or email Melany at mmondello@shalomhouseinc.org