# CHALLENGES ENCOUNTERED IN IMPLEMENTING A RETROSPECTIVE LONGITUDINAL STUDY OF THE COSTS OF EPISODIC HOMELESSNESS

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# 1 Background

A team of consultants was contracted by the National Secretariat on Homelessness of HRDC in October of 2001 to conduct research on the potential economic costs and social consequences of homelessness to Canadian society. Deliverables of the study included: [1]

- An annotated bibliography
- A research model
- A research methodology
- An analysis and report of findings
- A detailed method for updates to the data

The consultants undertook to complete the work in two phases, the first corresponding to development of the method, and the second consisting of implementing the methodology. In their proposal the consultants noted the numerous methodological and practical challenges likely to be encountered in implementing a study of this nature. [2]

Since October 2001, the consultants have completed:

- An annotated bibliography (Annotated Bibliography: The costs of homelessness. Nov 29, 2001)
- A research model (Discussion re model, Jan. 11, 2001)
- A research methodology (Methods for Estimating the Costs of Homelessness: A Review of Options. Feb 12, 2002 – *this report incorporated the earlier presentation regarding the model into the methodology overview*)

Work has been underway to implement the study since March 2002 and has consisted of:

[1] RFP – Solicitation No CCAB-1-0168

[2] Potential economic costs and social consequences of homelessness to Canadian society: a proposal. Submitted by Margaret Eberle, Jim Johnson, Deborah Kraus, James Mars, Jacques Tremblay and Tom Zizys. August 17 2001.

- Pilot interviews with 20 homeless individuals and service providers in Toronto;
- Applications to three provincial and municipal government agencies with administrative databases;
- Formal approval from one provincial government agency and agreement in principle from one municipal government agency; and
- Agreement from four Toronto youth service agencies to assist with the research by identifying formerly homeless youth to participate in the study.

In November 2003 a decision was made to terminate the research for several reasons:

- the extended time frame – 2 years to-date, with the likelihood of at least another year until all approvals secured, and data received, analysed and reported;
- the recognition that it was not likely to produce the kind of definitive estimate of the costs of homelessness to Canadian society needed to support federal policy making in this area; and
- the view that enough had been learned from this study to draw some conclusions about future research in this area.

At the same time it was recognized that the progress made to date was significant, there were substantial learnings and that the research agenda could be furthered by evaluating the approach and recommending modifications or improvements for future studies of this type.

## 2 The study

The first part of the study focused on the development of a methodology for estimating the costs of homelessness to Canadian society. To do this, the researchers reviewed the literature for examples of other studies and an annotated bibliography was prepared. The researchers also spoke with American academics and researchers who have completed work on the subject. A was prepared presenting a framework for describing the impact on costs of homelessness and highlighted the relevance of appropriate services in the context of alternative calculation of costs to Canadian society. A methodological report incorporated this model, reviewed a number of methodological issues and presented a range of options for measuring these costs.

Having regard to the budget and time frame available for this study, it was proposed that the remaining effort be placed on testing the approach with a selected number of variables. Given the paucity of research studies in these areas, the decision was made to focus on calculating the costs of episodic homelessness among youth and among new Canadians.

The research protocol described the method as follows:

This research is a retrospective longitudinal study of service use and employment and housing patterns for a group of individuals who have experienced episodic homelessness in order to compare the costs of homelessness with the costs and benefits of appropriate services. The study will track the service use, housing and employment patterns and estimate the related costs for 100 formerly episodically homeless individuals in Toronto comprised of youth and immigrants. It will compare the costs incurred by these individuals when episodically homeless and receiving 'homeless' services and the costs and benefits of being stabilized and receiving appropriate services for a total period of approximately four years.

The plan is to identify 100 individuals all stabilized for about two years (see definition below) after having been episodically homeless for up to two years (see definition below). Each will be required to complete a personal interview about their service use and employment and housing patterns and asked to provide their consent so that the researchers can obtain retrospective service use data from several administrative databases. The subjects will be identified by agencies that serve homeless individuals from their records. Service use and costs and benefits for the homeless period and the stable period when they are receiving appropriate services (not homeless) will be calculated and compared for each group (immigrants and youth) and for the total sample.

In preparing the research protocol, the following definitions were used:

> Episodically homeless:
> We are focusing on a less examined part of the homeless population in Canada, but a large one, namely the episodic homeless, which we define as: (1) Emergency hostel users – one or two days in a shelter over a two year period; (2) Transitional hostel users – three days to under 365 days in a shelter over a two year period; (3) Temporarily homeless (either living on the street or in the rough) for one or two days over a two year period – and (4) Temporarily without a permanent address (required to live with someone else on a temporary basis, or some combination of living on the street, in hostels and/or with someone else) for less than 365 days, over the course of a two year period. The individual must have been episodically homeless during a period up to two years. The episodically homeless may be in receipt of 'homeless' services such as emergency shelters, kitchens, drop in centers, and hospitals. They may also have been housed at some points during this period.
>
> Stabilised, receiving appropriate services:
> Individuals who have not spent a night in an emergency shelter or on the street for about two years or put more positively, have lived in transitional or permanent housing for two years (during the study period).
> Appropriate services simply means permanent housing (transitional

housing, independent housing), but may also include housing help services, employment training and employment assistance.

To be defined as a youth, the interviewee must have been between the ages of 16 and 24 years old during the entire study period, which means that he or she must have been born after December 1977 and before December 1980, and have been a Canadian citizen during the entire study period. The individual may be single or a member of a family.

To be defined as an immigrant, the interviewee must have been a landed immigrant sometime during the study period between January 1996 and December 2001, but not a refugee claimant during that period. The individual may be single or a member of a family.

The reasoning behind these definitions:

(1) We sought to have a sufficient period of both homelessness and stabilization in order to make an appropriate comparison; this resulted in the retrospective study period stretching quite far back into the past (a period of up to four years);

(2) Because we were going to rely on accessing data banks of public bodies (Ministry of Health, for example), we needed to define a period which did not include a current year, in order to ensure all reporting had been completed and filed on a given claimant; this resulted in pushing the date for study back slightly further;

(3) We decided not to include refugees because we did not wish to deal with potential health and other counseling issues which might have nothing to do with the state of homelessness but rather was far more linked to the consequences of being a refugee; moreover, the status of an individual awaiting a decision on their refugee claim is substantially different from that of other individuals, and so their eligibility and use of services and their employment history could again far more reflect their situation as a refugee rather than being a consequence of episodic homelessness.

# 3 Purpose

The purpose of this report is to describe the challenges that have arisen in trying to implement the study, some of the learnings, and to recommend possible next steps to further research in this area. There were three major areas of challenges or issues: finding subjects for study purposes, small sample size and obtaining data from administrative databases. They are described below.

### 3.1 Finding Subjects for Study Purposes

The challenges here took two forms: firstly, related to interviewing the immigrant sub-population, and secondly concerning agencies' ability to locate *formerly* episodically homeless individuals. These are described as follows:

(1) *Reluctance of new Canadians to share information with researchers about homelessness:* In carrying out a pilot set of interviews to determine what services are used by episodically homeless new Canadians, we found that some new Canadians were reluctant to admit their current or past homeless status; sometimes this information was learned through another source (e.g. the agency which recruited them for the interview); their reluctance could be a matter of pride or also a concern on their part that they not be perceived as a burden to public services;

(2) *Reluctance on the part of new Canadians to share information with researchers seen as working for the federal government:* Another part of their reluctance seemed tied to a concern that information about their circumstances could somehow affect their immigration status; a number of immigrants come from countries where governments act in an authoritarian manner and so there is a reluctance to disclose information which could potentially make them vulnerable to the actions of government;

(3) *Difficulty in finding subjects for a retrospective study:* These first two concerns, which we encountered in the interview process, were not of insurmountable difficulty – indeed, the community agencies we dealt with assured us that they felt that with the agency's support subjects would feel sufficient trust to be interviewed; what was the ultimate stumbling block was trying to find <u>former</u> clients of the agencies who had used their services at least two years or more ago; the problem is that agencies deal with clients in need (that is, for example, those experiencing episodic homelessness *now*); once their problem is addressed, the client moves on and is normally not heard of again, unless another difficulty emerges; while it would have been possible to go to archived files, this would have involved a lot of agency staff time, as their files are not coded in such a way to identify those who had experienced homelessness – we simply did not have the budget to begin such a search, particularly where even if one found the appropriate number of such cases, one might then need to still find the client, where phone and address numbers may have changed; this particular challenge arose with the other target group of homeless we proposed to deal with as well, that is, youth, so this is not so much a function of the individuals as it is the study methodology;

(4) *Concern on the part of community agencies regarding how the research findings could be used:* There is no doubt that the agencies we dealt with

also were worried about what the findings would show, but more importantly, how the findings could be used, in a broader policy debate; while intuitively the agencies believed that any objective study would show that given proper settlement assistance and service support, new Canadians experiencing episodic homelessness end up costing less to Canadian society than if those sorts of services and supports are not provided, the findings could be used in another manner, to suggest that new Canadians cost Canadian society a certain figure, and that this could be used by some as an argument against immigration; the agencies appeared to feel vulnerable both on behalf of their clients and in relation to the services the agencies provide, that in both instances these matters could become the target of unsubstantiated attack;

(5) *Concern about getting an appropriate sample size and representation:* Given all the challenges involved in identifying subjects to interview, a related concern arose, namely whether we could get a proper sample – the new Canadian population is extremely diverse, starting with the range of countries of origin; this fact in itself can have a bearing on the impact of homelessness, as that impact is affected by what kinds of networks of support exist within that person's natural community (based on ethnicity, religion, family/clan structures, culture, how established the community is in Canada); the point is, one would need a sufficient cross-section of new immigrants and a large enough sample size from which to draw reasonable inferences.

### 3.2 Small sample size

Size of the study sample was limited by the data holders' requirement to obtain consent from each individual whose data was being requested. This required identifying the appropriate subjects, meeting them and asking them to sign a consent form, a time and labour intensive process. The essential difficulty with the study as conceived was that in order to meet budget requirements it was limited to a small sample of a subset of the homeless population. Originally designed to have a sample size of 100 formerly episodically homeless individuals (youth and immigrants), it was reduced to 50 following some of the complications described above.

Generally speaking the larger the sample the more defensible the results and the more likely it can be used reliably to draw conclusions about the larger population. For example, the BC study with a sample size of only 15 cannot be used to draw conclusions about the entire homeless population, only those 15 included in the study.[3] In the present situation, although 100 is a reasonable number of cases, 50 is not that much of an improvement over 15.

The question becomes, is the expenditure of time and resources necessary to secure approvals and complete the study for such a small sample size a good use of resources? The approvals process for obtaining the administrative data and the time to analyse the data would be the same no matter how many cases were involved. The ideal study would produce a defensible estimate of the costs of homelessness and have a sufficient sample size to warrant the time and effort required. It is our opinion that the sample size should be between 200 and 500 persons. The best approach would be to try to design a study that would meet dataholders' privacy requirements without obtaining consent thereby eliminating the need to contact the homeless people directly.

A model study would be comparable to the one conducted by Culhane, Metraux and Hadley[4] in the US which estimated the public expense of a supportive housing program for formerly homeless mentally ill individuals and compared this with expenses generated pre-housing placement. Administrative data on 4,679 homeless people placed in supportive housing through the New York, New York program in NY City between 1989 and 1997 were merged with administrative data on use of public shelters, public hospitals, Medicaid funded services, veterans inpatient services, state psychiatric inpatient services, state prisons, and the city's jails. The study compared pre-housing placement (two years) use of services with post-placement use of services (two years). A series of matched controls that were homeless but not placed in housing were also tracked through administrative records.

The authors found that homeless people placed in supportive housing experience marked reductions in shelter use, hospitalizations, length of stay per hospitalization and time incarcerated. Results were presented for each service system and across multiple service systems. Prior to placement in housing, homeless people with severe mental illness used an average of $40,449 per person per year in services. Placement in NY, NY housing was associated with a $12,145 net reduction in service use per person. Half of the cost reduction was associated with reduced use of psychiatric inpatient services and one quarter was associated with reduced use of emergency shelters. Housing placement was associated with a reduction in service use of $16,282 per unit per year. Overall, when supportive housing costs are factored in, the New York, New York initiative resulted in a net cost of $1,908 per unit per year. They concluded that

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3 Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria. BC: Ministry of Social Development and Economic Security.

4 Culhane, DP, Metraux, S., and Hadley, T.R. (2002) Public Service Reductions Associated with Placement of Homeless People with Severe Mental Illness in Supportive Housing. *Housing Policy Debate*. 13 (1). 107-63.

95% of the cost of supportive housing for this client group is recovered by collateral service reductions attributable to housing placement.

A study of this nature is neither inexpensive nor can it produce results quickly. It is our understanding that the US study cost approximately US $575,000 and took five years to complete. The major challenges faced by the researchers were securing approval to use the various databases, and linking and matching the databases.[5] A discussion of this issue follows.

### 3.3 Obtaining data from administrative databanks

This challenge is linked to the sample size issue, described above. The researchers' previous experience with a similar project informed us that the process of obtaining approvals from (primarily) government agencies for the release of personal information is a lengthy and time-consuming process. The researchers involved with the Culhane study cited the same difficulties. For example, in the course of this project, the initial application made to the Ontario Ministry of Health and Long-term Care was rejected after a review period of five months. We were encouraged to re-apply with a slight modification to the study design, but were informed that the review process would likely take another six to eight months. One of the reasons the BC study was successful was because many of the ministries that held the data were also sponsors of the research and had an incentive to approve and fast-track the data request. That study demonstrated that it was certainly not impossible, but time-consuming. And indeed, the current project was successful in gaining approvals from at least one provincial agency. A four to five year time horizon is probably a reasonable estimate for a larger project.

The main issues from the point of view of dataholders are competing priorities for data, preserving individual privacy and the potential violation of privacy issues related to the linking of databases. Certainly, internal and inter-governmental requests for data receive priority. Freedom of information and privacy legislation is intended to protect individuals from release of personal information for reasons for which they have not agreed. To further complicate matters, each province and potentially each ministry has different privacy requirements. It may be easier to conduct the study in one jurisdiction over another.

It might be worth exploring if there are situations where consent is not required. According to our understanding, the Culhane study did not require consent from the individuals whose records were aggregated in their study. The BC Linked Health Database might be a possible resource. It is one of only a small number of data resources in the world where longitudinal research on an entire population can be carried out. Data are derived from numerous sources relating to health services utilization, utilization of other social services, health, and

[5] Personal communication, Stephen Metraux. January 14, 2002.

socioeconomic status. This means that research questions relating to health care use and health status can be investigated in a broad context of possible influencing factors. It also has the potential to incorporate many more data files that can provide an even broader understanding of health and health care. Subject to appropriate technical upgrades and attention to privacy concerns, a virtually limitless number of new data files could be linked to the existing resource.

### 3.4 Selection of episodic homeless as focus

It should probably be added that choosing the episodically homeless as a target of a study also added to the difficulties encountered. As was mentioned earlier, finding individuals who *had been* episodically homeless, for the purposes of a before and after study is more challenging simply because agencies who serve such individuals help them at the time when they are episodically homeless, but once those individuals are stabilized, end up losing contact with them. This is probably one good reason why this category of homeless individuals has attracted far less research attention.

Another reason, though, is a further methodological difficulty, namely quantifying the costs *as well as the subsequent offsetting benefits*. With the chronically homeless, it would appear that the cost of appropriate interventions in the way of services and supports do off-set the costs of the alternative, namely the use of various emergency interventions. In the case of the episodically homeless, an additional calculation needs to be made, namely the attachment (in the case of youth) or the re-attachment (in the case of other groups) to employment, and the subsequent *contribution* which formerly episodically homeless make to society's balance sheet, by way of gainful employment and tax revenue. Obviously such a calculation requires even more access to data, and hence more challenges in terms of obtaining consents and so on.

This is not to argue against such an inquiry, but simply to point out further pitfalls.

## 4 Recommendations

Overall, we do not believe these difficulties are insurmountable. Addressing these limitations would however require a significant commitment of time and resources. The following describes some options for future research.

(1) One could conduct a longitudinal study with subjects as they are experiencing episodic homelessness, and then follow their use of services and their employment pattern following stabilization; obviously such an approach would involve a significantly longer study time frame with associated costs;

(2) A similarly designed retrospective study with a larger sample size, perhaps investigating the option of using a linked database.

Alternatively, if consent was required, one could allocate more budget to a retrospective study, which could be applied in the following ways:

(i) an extra amount to be paid to participating agencies for their real staff time in searching files and tracking down previous clients to be subjects of a retrospective analysis;

(ii) a larger amount to be provided as honoraria to the subjects (we had proposed $20., which is the standard amount provided to interviewees; a larger figure, somewhere between $50. and $100., would likely serve as greater incentive);

(iii) a possible amount for advertising in selected newspapers to recruit candidates for interviews.

In addition, we feel that that the conceptual model and the discussion of methodological issues which emerged from this study can serve as a useful framework for future research activities in Canada relating to the costs of homelessness. A matrix, which combines different types of homelessness (chronic or episodic, and different homeless populations, such as youth, newcomers, single adults, Aboriginal people) together with different costs elements (health, social, justice system and so on), offers a way to organize a research agenda, where portions of a national cost analysis could be undertaken in pieces, in different parts of the country. Such an approach would allow for a comparison not only of different costs for different populations, but also a comparison of the efficacy of different methodologies. In such a way, this study could be the end of the beginning of such an analysis, paving the way for future studies.