The Social and Individual Effects of Homeless Shelter: Evidence From Temporary Shelter Provision

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Evidence Gap Means Less Effective Interventions

- Conflicting theories about drivers of homelessness
  - e.g., housing costs, wages, mental health, addiction, discrimination, crime...

  $\Longrightarrow$ different policy approaches

- Which approach is "right"? What interventions work?
  - $\Longrightarrow$ Need for evidence

- Compared to many other social and economic issues, research on homelessness has been scarce...
  - Highly mobile population
  - No home address
  - Multifaceted issue requires a lot of info $\Longrightarrow$ just 1 source of data often insufficient

How Do We Know Which Interventions To Choose?

Project Type	Enrollments	Share (%)
Non-shelter services		
Street Outreach (SO)	160,917	30.56
Services Only (SSO)	58,816	11.17
Temporary shelter		
Emergency Shelter (ES)	153,557	29.16
All others		
Rapid Re-Housing	79,140	15.03
Prevention	19,240	3.65
Transitional Housing	19,842	3.77
Permanent Supportive Housing	16,879	3.21
Others	18,230	3.46

Table: HMIS enrollments by project type (LA County, 2014-2019).

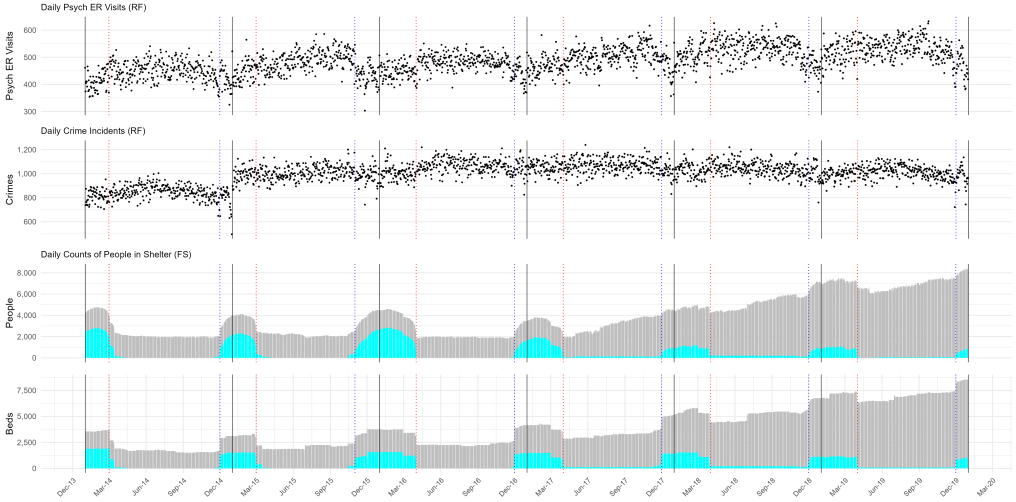
Step 1: Build The Data Infrastructure

- **HMIS** - Homelessness Management Information System (Los Angeles)
  - Best available data on services provided to people experiencing homelessness (PEH)
  - $>$ 1.2 million records (project enrollments) from 2013-2023

- **HCAI** - California Department of Health Care Access and Information
  - Contains ALL ER visits and inpatient hospitalizations at all state-licensed facilities
    - $>$ 150 million records from 2012-2021
  - Includes facility name, date of admission, patient characteristics (demographics, diagnoses, insurance type, etc.)

- **LAPD / LASD** - Los Angeles Police Department and Sheriff's Department
  - Incident-level crime data for LA City (LAPD) and most of LA County (LASD)
  - Detailed information on crime location, type, time of day, etc.

Combining Data Sources



Step 2: Identify Effects

What would happen if we suddenly had a lot more shelter tomorrow?

A "Quasi-Experiment": Winter Shelters Program $\implies$ On specific dates each year, there is a "natural experiment" where emergency shelter suddenly expands.

- Shelter open/close dates vary across years
  - E.g., we can compare changes in outcomes from October to November in years where shelters *are* open in November (treatment) versus years where shelters *aren't* yet open in November (control) Example Figure
- Open/close dates may also vary across locations *within* years
  - E.g., *within* 2015, we can compare late October (versus earlier October) outcomes in SPA 7 (where sites open October 15th) against SPA 6 (where sites open November 1st) Example Figure

Results - Psych ER Visits

	Effect on # Sheltered	Beds Effect on # ER	# Sheltered Effect on # ER
	First Stage (FS)	Reduced Form (RF)	Instrumental Variables (IV)
WS beds	0.8926^{***}	-0.0024^{**}	
	(0.0085)	(0.0009)	
sheltered			-0.0027^{**}
			(0.0011)
Outcome Mean	391	61	61
Adj. R^2	0.9860	0.9260	0.9261
Num. obs.	17,528	17,528	17,528

$^{***}p < 0.01$; $^{**}p < 0.05$; $^{*}p < 0.1$

- First-stage: 100 shelter beds $\implies \sim$ 90 additional people in shelter
  - Evidence against the argument that people don't want shelter...
- Reduced-form/IV: 100 shelter beds $\implies \sim$ -0.25 psych ER visits per day
  - Program prevents $>$ 300 per year

Results - Crime

	People in Shelter	All Crime		Daytime Crime		Night Crime	
	FS	RF	IV	RF	IV	RF	IV
WS beds	0.8313***	−0.0092***		−0.0022		−0.0070***	
	(0.0142)	(0.0031)		(0.0022)		(0.0020)	
sheltered			−0.0111***		−0.0026		−0.0085***
			(0.0038)		(0.0026)		(0.0024)
Outcome Mean	528	154	154	73	73	80	80
Adj. R^2	0.9864	0.9430	0.9429	0.8840	0.8840	0.9131	0.9131
Num. obs.	10,955	10,955	10,955	10,955	10,955	10,955	10,955

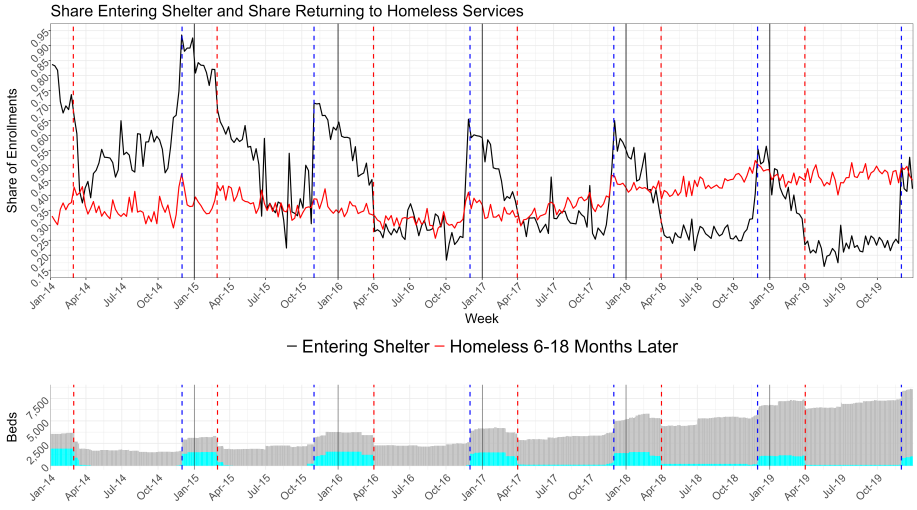
$^{***}p < 0.01$; $^{**}p < 0.05$; $^{*}p < 0.1$

- 100 shelter beds $\implies \sim$ -1 crime every day
  - Program prevents $>$ 1,500 crimes per year
- Crime reductions are, if anything, *greater* in the areas closest to the sites
  - Evidence against the argument that shelter attracts crime

Looking at Individuals Over Time

- When a person enters homeless services, HMIS tells us the exact date and SPA
- HMIS data reports the type of service they received Enrollments in Data
  - Compare trajectories of people entering Emergency Shelter (ES) to those entering non-shelter services
  - When the probability of entering shelter spikes, does the probability of future homelessness drop?

Share Entering Shelter V.S. Share Reappearing Homeless



Results

	ES	Reappearance		Mortality	
	First-Stage	Reduced-Form	IV	Reduced-Form	IV
WS beds	4.75***	0.14		−0.06***	
	(0.09)	(0.11)		(0.02)	
ES			0.0297		−0.0117***
			(0.0239)		(0.0032)
Outcome Mean	41.12	40.23		0.48	
Adj. R^2	0.3727	0.0536	0.0553	0.0040	0.0001
Num. obs.	332,343	332,343	332,343	332,343	332,343

$^{***}p < 0.01$; $^{**}p < 0.05$; $^{*}p < 0.1$

- No significant impact on likelihood of reappearing for homeless services 6-18 months later
- Significant reduction in 18-month mortality
  - Magnitude of reduction hard to determine with existing data infrastructure

Summary - What Happens When We Reduce Unsheltered Homelessness?

- Temporary shelter
  - reduces psych ER visits
  - reduces crime
  - reduces short-run observable mortality
  - is no more effective than street outreach in reducing future homelessness
- Temporary shelter is not a silver bullet solution, but many questions remain...
  - Do different types of shelter (e.g., non-congregate, longer-term) work better/worse?
  - Is there something that street outreach is doing well that shelter is not?
  - and more...

A System With Misaligned Incentives

"These findings expose a classic public goods problem with important policy implications. When the Los Angeles Homeless Services Authority provides shelter, it captures none of the crime reduction benefits (accruing to law enforcement), none of the healthcare savings (accruing to hospitals and health insurers), and none of the mortality prevention benefits (whose value transcends agency boundaries). Agencies evaluated primarily on homelessness reduction metrics thus have incentives to under-invest in shelter..."

- If a person cares most about reducing homelessness numbers, efforts to expand shelter will be unappreciated
  - It would be better to invest in permanent housing or prevention, which have more demonstrated success in reducing future homelessness
- But these efforts improve the well-being of our unhoused neighbors and the health, safety, and welfare of our shared communities

Thanks!

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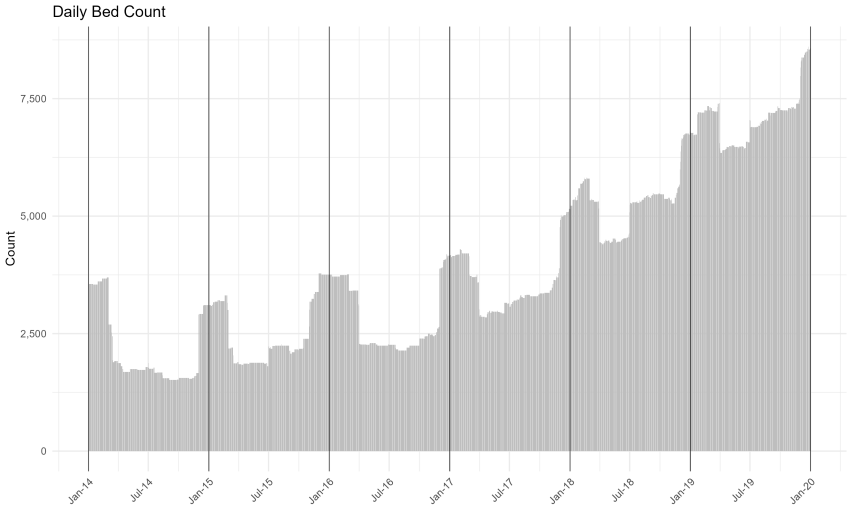
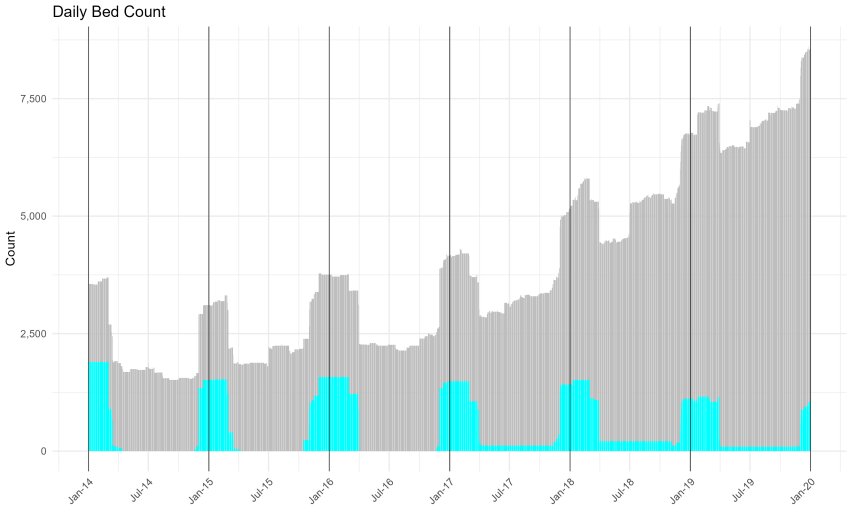
Daily Bed Counts From HMIS Data (excludes most scattered-site)



Daily Bed Counts From HMIS Data



Daily Bed Counts 2014-2017

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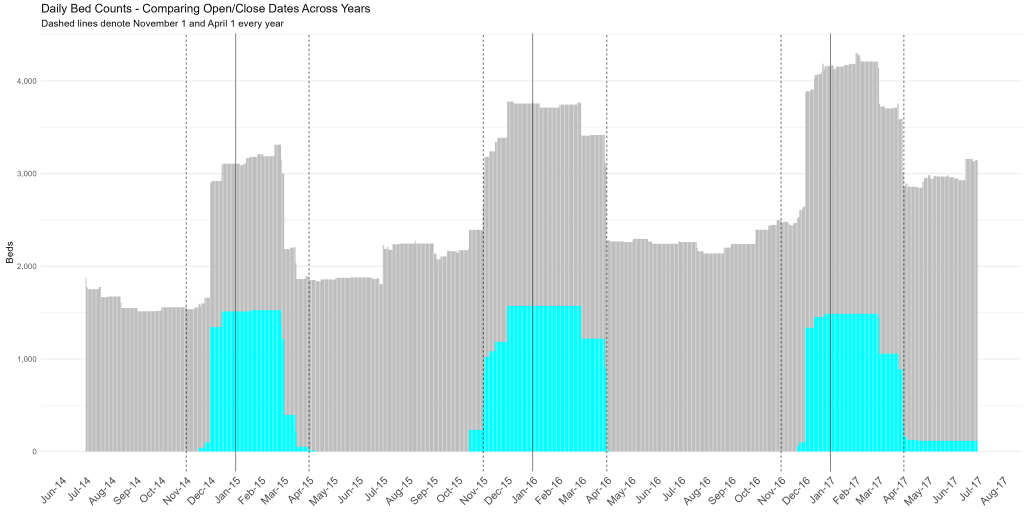

Daily Bed Counts 2014-2017 by SPA

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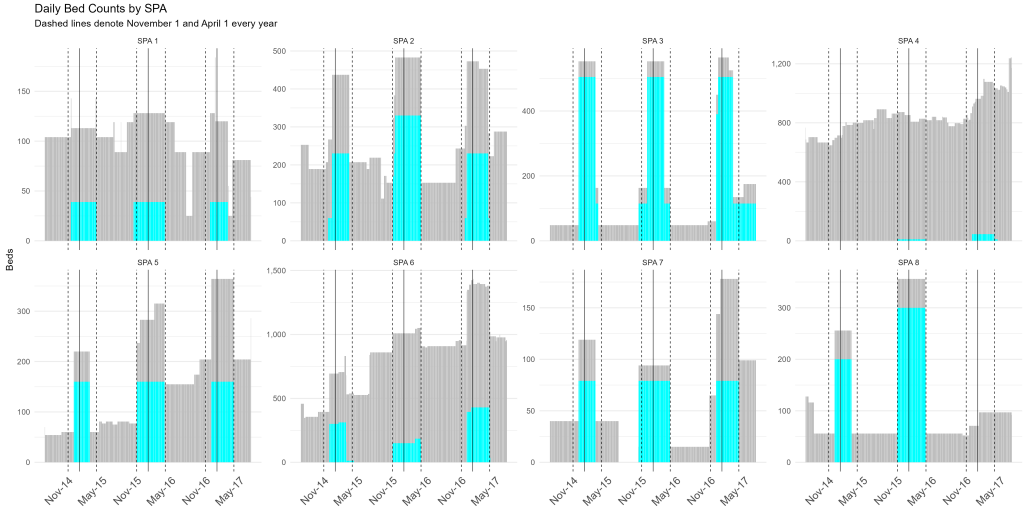

Psychiatric Conditions Stand Out

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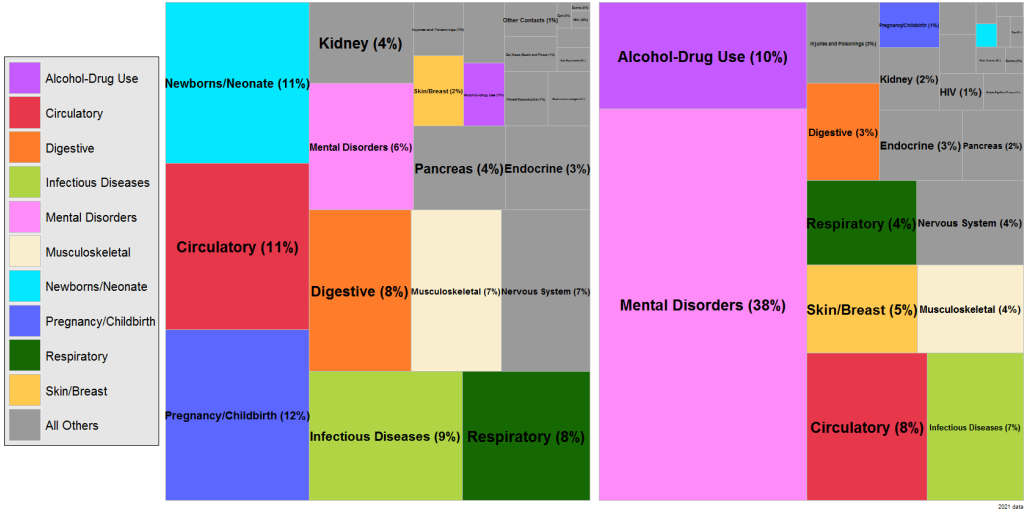

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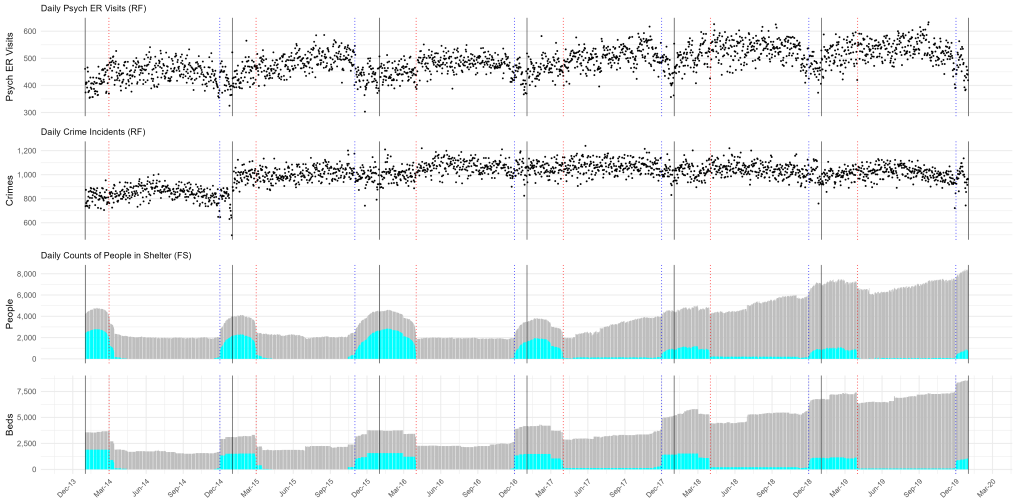

Example: Zoom in on 2015-2016 Season

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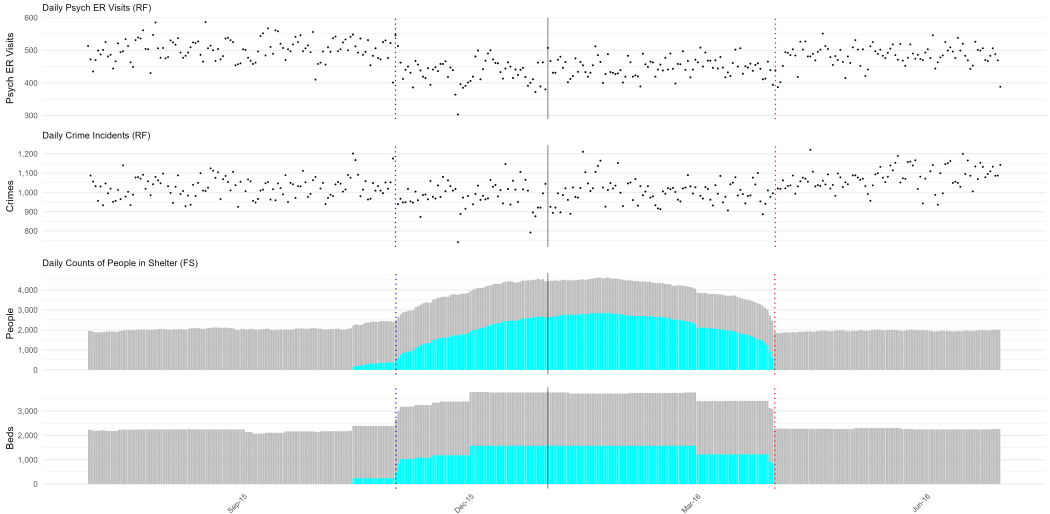

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Enrollment-level Descriptives

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Independent Variables	Full Sample	ES	SO	SSO
Age	43.4655	43.1724	43.6245	43.7860
Male	0.6100	0.6357	0.5972	0.5793
White	0.4457	0.4243	0.4800	0.4115
Hispanic	0.2797	0.2693	0.2933	0.2708
Disabled	0.3409	0.3803	0.2675	0.4293
n	332,343	136,673	140,251	55,419

Dependent Variables	Full Sample	ES	SO	SSO
ES	41.12	100.00	0.00	0.00
Reappear	40.23	43.50	38.48	36.59
Exit	19.41	23.55	12.13	27.63
Newly Homeless	15.46	19.85	10.39	9.91
Mortality	0.48	0.41	0.55	0.49