

**Press Release**  
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**The Colorado Coalition for the Homeless Challenges a Recent Report by the Common Sense Institute Regarding the Economic Impact of Homelessness in Denver**

For the second year in a row, the Common Sense Institute (CSI) has released a misleading and loosely-informed report on the economic impact of homelessness in the Denver area. Instead of taking the advice of experts in the field, service providers on the ground, and government agencies supporting the homeless response system who offered solutions to the flawed assumption about unhoused individuals and an unsound methodology for calculating costs, CSI has released a report with inflated and inaccurate numbers in order to generate “shock value” conclusions about the “total cost of homelessness” and an ill-advised “cost per person experiencing homelessness.” Despite advising CSI multiple times that their assumptions and methodology failed to accurately capture the complex issue of homelessness and how the response and resolution system actually works, CSI told the Colorado Coalition for the Homeless (CCH) that they still “elected” to overcount funds, include unrelated costs in their total costs, and create a conclusion that can only be described as reductive.

“CSI’s report does a substantial disservice to the providers of homelessness services working day in and out to resolve the crisis of homelessness by attempting to reduce the complexity of these services into a single number,” said Cathy Alderman, Chief Communications and Public Policy Officer for CCH. “Further, the report perpetuates a stigma against people experiencing homelessness by asserting that all people experiencing homelessness are somehow one in the same with the exact same needs. And, while we all know that housing is the solution to homelessness, the report fails to demonstrate how best practices in the homelessness response system like Housing First, Denver’s Social Impact Bond Program, or the Denver ReHousing Collaborative might offset some costs to the current system.”

Although CSI made minor adjustments to its methodology in response to multiple experts in the field and service providers on the ground, these changes did not address many of the most egregious flaws identified including:

- The inclusion of costs of services like healthcare, housing, meal delivery, domestic violence assistance, and others provided by service providers to both housed and unhoused individuals. These costs are not attributable to the “footprint of homelessness.” CSI’s contention that they are comfortable overcounting some of these costs, as they did for Denver Health, because they also excluded some other potential costs doesn’t rectify the flaw of overcounting.
- The inclusion of people living in supportive housing and the costs of supportive housing cannot logically be said to relate to the costs of responding to homelessness. These individuals are housed and many people who live in supportive housing are people living with disabilities, seniors, and individuals and families escaping and recovering from domestic violence.
- Overestimating the number of employees and volunteers who operate in the homelessness response system to arrive at the conclusion that there is “one job related to every person experiencing homelessness” is inflammatory and insulting to the community. While many of these employees and volunteers are dedicating time to assist the unhoused community, they are also serving in other roles to assist housed individuals. Further, for those of us in the nonprofit space, we know that volunteers often offer services more than once to an organization or offer their service to multiple organizations.

- Although the Stout Street Health Center (SSHC) is owned and operated by CCH, healthcare services are provided to both housed and unhoused individuals (much like the healthcare services at Denver Health). Therefore, including all SSHC costs significantly inflates the costs included in CSI's numerator. In fact, the inclusion of all of CCH expenditures is flawed since as a housing and healthcare provider, the Coalition spends the majority of its funds to keep people in housing and to provide healthcare to the community
- The report doesn't account for any offsetting cost-savings associated with the proven benefits of providing people experiencing homelessness with housing, services, shelter, and other supports as demonstrated in the [Denver Social Impact Bond program evaluation](#).
- The report also mischaracterizes subsidized housing such as that provided through the Denver Social Impact Bond Program as "free housing" when in fact, participants are responsible for paying 30% of their income towards rent.

"CSI should go back to the drawing board if they want to publish a meaningful report on homelessness," Alderman said. "For some people experiencing homelessness, a single month's rent or security deposit would resolve their situation whereas other people may require a higher level of supportive services, housing assistance, and health care. Other cost per person estimates referenced in CSI's report are based on actual, not assumed, identified populations of individuals experiencing homelessness. In this report, attempting to arrive at a 'cost per person experiencing homelessness' without identifying a specific population of people is the very antithesis of common sense."

While CSI claims the report is intended to bring a "critical eye to the issue" by including results from homelessness response programs in other states, they fail to acknowledge that many of these programs were only possible with significant and increased investments in homelessness resolution. CSI's report repeatedly infers that Denver and surrounding areas might be "spending too much on homelessness," when increased financial investment in other states and cities is the very thing that achieved the type of decreases in the number of people remaining unhoused we would hope to achieve locally.

The Colorado Coalition for the Homeless is proud of the work we have done for decades to provide housing, health care, and supportive services to the housed and unhoused community and we are deeply frustrated at having our work and the work of our partners misrepresented. CSI's flawed assumptions, questionable methodology, and failure to include off-setting cost savings and increased levels of investments from successful homelessness response programs should be a red flag for anyone questioning whether they should take this new report seriously.

The Coalition recommends the following resources in lieu of this report:

[Denver Social Impact Bond Final Report from the Urban Institute](#)

[NLIHC summary of UCLA Department of Economics Working Paper](#)

[Housing First Impact on Costs and Associated Cost Offsets: Review of Literature](#)

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### **About Colorado Coalition for the Homeless:**

The mission of the Colorado Coalition for the Homeless is to work collaboratively toward the prevention of homelessness and the creation of lasting solutions for people experiencing and at-risk of homelessness throughout Colorado. The Coalition advocates for and provides a continuum of housing and a variety of services to improve the health, well-being and stability of those it serves. Since its founding, the organization has earned state and national recognition for its integrated healthcare, housing and service programs. The Coalition's comprehensive approach addresses the causes of homelessness, as well as the consequences, offering critical assistance to over 22,000 individuals and families each year. Learn more at