

Housing as a Health Care Investment

Affordable Housing Supports Children's Health

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Affordable and stable housing plays a critical role in supporting the health and well-being of children. Research from Children's HealthWatch shows public investment in housing—including housing for homeless families and rental assistance for food-insecure families—improves the health outcomes of vulnerable infants and young children and lowers health care spending.

Previous research from Children's HealthWatch demonstrated the harmful impact homelessness has on the health of young children and that the negative health outcomes are compounded when a mother is homeless both before and after her child is born.¹ New findings from Children's HealthWatch researchers show affordable and stable housing made possible through rental assistance is associated with better health outcomes for infants in vulnerable families.

Investments in programs that house families in need and have the potential to reduce public spending on health care can be a double win for public policy. Given the significant impact stable

and affordable housing has on the health of children, policymakers should consider how to expand investment in affordable housing and services for vulnerable families to improve the health outcomes of young children and reduce health care spending.

Homelessness Harms Young Children's Health

Previous research from Children's HealthWatch illustrates the devastating impact of homelessness on children's health. While pre- and post-natal child homelessness are each separately associated with poor health outcomes for children, the combination of pre- and post-natal homelessness demonstrates a "dose-response" effect that compounds the health risks linked individually to pre- and post-natal homelessness.²

When compared to children who were never homeless:

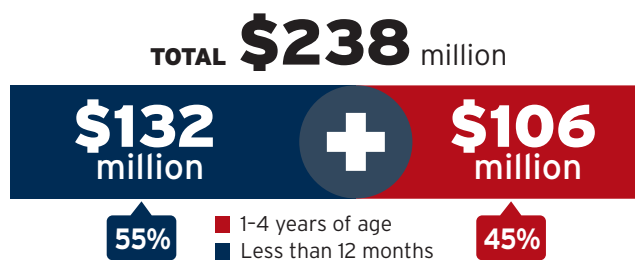
- Children who experienced pre-natal homelessness (i.e., their mothers were homeless during pregnancy but were housed after their birth) were **20 percent more likely to have been hospitalized** since birth.
- Children who experienced post-natal homelessness (i.e., their mothers were housed during pregnancy but were homeless when the children were infants and/or toddlers) were **22 percent more likely to have been hospitalized** since birth.
- Children who experienced both pre- and post-natal homelessness were **41 percent more likely to have been hospitalized** since birth.



Child Homelessness Contributes to High Health Care Spending

Homelessness is extremely harmful to the health of young children and leads to higher health care costs, a large share of which is paid by publicly funded health insurance.³ In 2014 an estimated 671,000 children age four or under had been homeless at some point or were born to a mother who was homeless when she was pregnant.⁴ **Children's HealthWatch estimated that these children, as a group, experienced 18,600 additional hospitalizations attributable to their experience of homelessness.**⁵ The average cost of one hospital stay for an infant was \$16,248 and \$10,139 for a toddler age 1-4 years old in 2015. **The estimated total annual cost of hospitalizations attributable to homelessness among children age four and under in 2015 alone were over \$238 million nationally**, with more than half of those costs associated with hospitalizations of infants under the age of one (Figure 1).

FIGURE 1. Hospitalization Costs Associated with Children's Homelessness, 2015 (in 2015 dollars)



Source: Children's HealthWatch Calculations.

Hospitalization costs attributable to homelessness represent just one of the many ways that homelessness leads to worse health among children and increased pediatric health care costs. There are other health care costs not included in this research, such as prescription medications for physical and mental health conditions, and there is medical care related to long-term health conditions associated with children's exposure to homelessness that require additional health care services. Aside from health care costs, homelessness also negatively impacts children's educational achievement.⁶

Many Low-Income Families Have Complex Needs

Homelessness is costly for families and society, keeping many young children from getting a healthy start in life. Rental assistance can make a significant difference for infants, especially those from highly vulnerable families.

Food-insecurity is a valuable indicator of vulnerability among low-income families and was measured in Children's HealthWatch research to identify families with complex social needs. Previous Children's HealthWatch research demonstrates that young children in families with multiple hardships, such as food-insecurity and unstable or unaffordable housing, are at higher risk for poor health outcomes than those experiencing only one hardship,

Definition of Household Food-Insecurity

When families lack access to sufficient food for all members to lead active, healthy lives because of insufficient family resources, they are considered to be food-insecure. Using the U.S. Food Security Survey Module, households are categorized as food-insecure when they report that they do not regularly have access to adequate food.

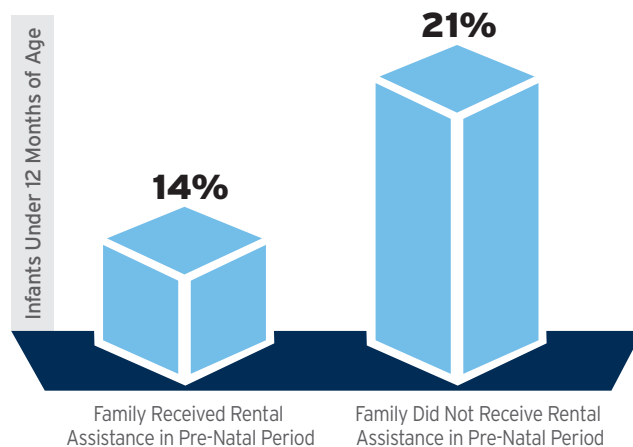
or none at all.⁷ Based on the evidence that infants from food-insecure families are an exceptionally high risk population, Children's HealthWatch examined the relationship between rental assistance and child health outcomes among infants and young children in food-insecure families to help clarify the role of housing in sustaining good health.

In their new study findings, researchers from Children's HealthWatch collected data from over 2,000 low-income, food-insecure households with infants under 12 months of age from 2009 through 2014. The infants' caregivers were interviewed in urban pediatric clinics and emergency departments. Nearly one quarter of these households received some form of rental assistance during pregnancy. Interview data were analyzed to assess infants' health and development and to compare outcomes for infants in food-insecure families receiving rental assistance with families eligible for, but not receiving, rental assistance.

Affordable Housing Reduces Infant Hospitalizations

After adjusting for family characteristics and other factors, Children's HealthWatch researchers found that infants in **food-insecure families with rental assistance during the pre-natal period were 43 percent less likely to have been hospitalized** compared to infants in food-insecure families eligible for but not receiving rental assistance. The reduced rate of hospitalization among the infants whose family had rental assistance in the pre-natal period resulted from better overall health and fewer instances of serious illness.

FIGURE 2. Prevalence of Hospitalization Among Food-Insecure Infants, 2015



All findings statistically significant at p<.05.
Source: Children's HealthWatch Data, May 2009-December 2015.

This research found that health care cost savings associated with avoided hospitalizations among infants in food-insecure families with rental assistance were an estimated \$20 million—or 1,200 avoided hospitalizations—in 2015. These infant health care savings were attributable to their families' living in affordable housing in the pre-natal period. These hospitalization cost savings are just one example of how ensuring that vulnerable families live in stable, affordable housing during the pre-natal period can lead to pediatric health care cost savings over time.

Policy Solutions

Research from Children's HealthWatch presented in this brief shows the important role that housing plays in supporting the health of young children. Not only is homelessness associated with more frequent and costly hospitalizations among young children, but when vulnerable families have stable, affordable housing—versus potentially inadequate or unaffordable housing—their infants experience fewer hospitalizations. Affordable housing created with rental assistance can have a significant and positive impact on health for infants in vulnerable families. Their improved health reduces health care spending that can be invested in other areas such as the expansion of public resources for affordable housing programs.

The following strategies can expand access to affordable housing for vulnerable, low-income families and help them overcome many of the challenges they face:

Expanding funding for rental assistance programs can reduce the number of homeless and vulnerable families by increasing the number of eligible families who receive housing vouchers or live in homes made affordable by rental assistance. The results of this study and other research, including HUD's Family Options Study, show that rental assistance is an effective tool for helping families secure stable and affordable housing and improve their well-being.⁸ However, only one in four families who qualify for federal housing vouchers or other federal rental assistance actually receives it.⁹ Increasing funding for the federal Housing Choice Voucher, HOME Investment Partnerships, and other HUD and USDA rental assistance programs will allow them to reach more vulnerable families across the country. Some state and local governments also offer their own rental assistance programs to serve individuals and families who do not receive but qualify for federal rental assistance programs. Expanding the size of existing state and local programs, in addition to creating similar programs in other jurisdictions currently without rental assistance programs, can fill the gap between the need and availability of housing vouchers in order to reduce the number of at-risk and homeless families and offer stability to vulnerable families.

Increasing funding for existing public housing developments will enable public housing authorities to better maintain existing public housing units. Also, increased funding for initiatives like the Choice Neighborhoods and Rental Assistance Demonstration programs will allow additional communities

to redevelop distressed public and private affordable housing and improve living conditions for residents.

Creating more affordable housing suitable for families can help families with vouchers find a place to land. Families can encounter difficulty finding units large enough because most rental assistance program rules prevent families from moving into units with too few bedrooms for their family size. Addressing the need for family-sized units should help guide allocation of project-based vouchers to developments. Local planning decisions on proposed housing developments can encourage the development of family-sized units to provide more housing options to families with or without housing vouchers. Expanding capital subsidies such as the Low Income Housing Tax Credit, HOME Investment Partnerships, the National Housing Trust Fund, and others for creation and preservation of affordable housing are also essential.

Making housing voucher programs easier for families to navigate can improve the ability of families who do receive vouchers to secure a home to rent before their voucher expires and becomes unavailable. For a variety of reasons it is often difficult for families to find homes to rent with their housing vouchers once they receive them. Many families with housing vouchers searching for a home to rent encounter discrimination among landlords who refuse to rent to voucher holders either to avoid administrative burdens of the program or because of negative stereotypes of families with housing vouchers.¹⁰ Enacting local laws prohibiting discrimination against housing voucher holders can reduce this barrier to using housing vouchers. Improving voucher program administration to reduce barriers for property owners will also help.

Ensuring access to supportive services for families receiving rental assistance can help vulnerable families resolve their complex needs. Case management programs and service coordination offered in many affordable housing developments for older adults and individuals with disabilities are good models for addressing the complex social needs of vulnerable individuals. Offering supportive and case management services to vulnerable families living in public housing, private

What is Rental Assistance?

Rental assistance is help for low-income families and individuals to live in rental housing they can afford— meaning rent does not exceed 30 percent of their income. Rental assistance programs are offered by the federal government, along with some state and local governments. The most common rental assistance programs are:

- housing vouchers, which allow people to live in private rental housing they choose
- public housing, which comprises affordable housing developments managed by public housing authorities
- project-based rental assistance, which contracts with private building owners to make apartments affordable

housing with rental assistance, or using housing vouchers, can enhance a family's ability to connect to other social services that can reduce their vulnerability.

Considering vulnerable families to be a special population, similar to chronically ill and homeless individuals, can make the rationale for incorporating housing into comprehensive health care plans clearer to policymakers. The reform of the health care system through the Affordable Care Act and other initiatives has created momentum for investing in housing interventions for “high utilizers” of the health care system, typically vulnerable homeless individuals and older adults with complex and expensive health needs. Recent research has shown incorporating housing into comprehensive care plans for these individuals can be effective in improving health outcomes and significantly reducing public spending on health care.¹¹ Creating similar programs and incentives to offer affordable housing to homeless and vulnerable families can foster better health outcomes and reduce hospitalizations and other health care services for young children and infants. In turn, public health care savings achieved by these better health outcomes can be reinvested in to expand access to housing vouchers and other affordable housing programs for vulnerable families.

Conclusion

Research from Children's HealthWatch shows the significant harmful impact homelessness and unaffordable or unstable housing has on the health of infants and children during their most critical development stages. It can also lead to costly hospitalizations and increased health care needs. Expanding access and improving rental assistance programs and other affordable housing programs are key strategies in improving health outcomes and lowering health care costs for children.



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Children's HealthWatch is a nonpartisan network of pediatricians, public health researchers, and children's health and policy experts. Our network is committed to improving children's health in America. We do that by first collecting real-time data in urban hospitals across the country on infants and toddlers from families facing economic hardship. Our findings help policymakers and the public better understand the social and economic factors that impact children's health so they can make well-informed policy decisions that can give all children equal opportunities for healthy, successful lives.

Endnotes

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Formed in 1931, the nonprofit National Housing Conference is dedicated to helping ensure safe, decent and affordable housing for all in America. As the research division of NHC, the Center for Housing Policy specializes in solutions through research, working to broaden understanding of America's affordable housing challenges and examine the impact of policies and programs developed to address these needs. Through evidence-based advocacy for the continuum of housing, NHC develops ideas, resources and policy solutions to shape an improved housing landscape.

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