

Abstract

Funding for housing assistance programs serving the homeless has more than doubled in the past decade, with only scant evidence regarding the causal effect of housing assistance on recidivism to homelessness and economic and social outcomes such as crime, employment, and health. Using a random case worker assignment design and a novel dataset constructed by linking administrative records from multiple public agencies in Los Angeles County, I estimate that housing assistance for single adults experiencing homelessness reduces future recidivism to homelessness by 20 percentage points over an 18-month period, compared to a baseline mean of 40 percent. The decline is driven by housing programs that provide long-term housing solutions and by individuals with physical disabilities and/or severe mental illness. Moreover, my findings suggest that housing assistance reduces crime, increases employment, and improves health, while not increasing reliance on social benefits. A simple cost-benefit analysis implies that up to 80 percent of housing costs are offset by these potential benefits in the first 18 months alone. Taken together, these findings demonstrate that welltargeted housing assistance for the homeless with a focus on long-term housing solutions can be rehabilitative for a large segment of the homeless population.