

Housing for young people with a mental illness

Investing to Save is a report prepared by KPMG for Mental Health Australia which outlines the economic benefits of investment in mental health reform. In 2016-17 there were 42,000 young Australians aged between 15 and 24 who were homeless. KPMG found that prioritising housing for half of the young people with a mental illness experiencing or at risk of homelessness provides a return of \$9.30 for every dollar invested. For an investment of \$0.5 billion, the course of a young person's life can be changed, and save \$4.8 billion in the long term.

Return on investment per person per year for intensive homelessness intervention

	Short-term (1-2 years)	Long-term (3+ years)
Housing cost	\$34,500	\$34,500
Employment savings	-	\$215,302
Health savings	\$96,626	\$96,626
Justice savings	\$8,242	\$8,242
Total savings	\$104,868	\$320,171
Return on Investment for every \$1	\$3.0	\$9.3

Mental illness and homelessness are strongly associated: social disability resulting from mental illness affects the capacity to find and retain accommodation; and being homeless affects mental and physical health.

Employment

The adult employment rate is 65.5 per cent¹. Young people experiencing homelessness have lower employment rates in adulthood than those who become homeless later.

Homelessness	Employment rate in adulthood
Before the age of 15	10%
After the age of 15	24%

Life-time employment benefits and discounted life-time earnings associated with homelessness are approximately \$600,000 per person, with a conservative estimated cost to the economy of \$13.9 billion.

Health

Individuals with a mental illness experiencing homelessness have higher rates of inpatient care than other people with a mental illness, with an estimated cost of \$1,956 per day. Prioritising housing for young people with a mental illness can reduce their hospitalisations by approximately 49 days per person per year.

Justice

Young people experiencing homelessness are much more likely to have contact with the criminal justice system than the general population. The cost to the justice system is estimated to be \$8,242 per person per year more for young people with a mental illness who are homeless than for other disadvantaged young people.

This information is an extract from *Investing to Save: The Economic Benefits for Australia of Investment in Mental Health Reform*. KPMG and Mental Health Australia 2018.

¹ Australian Bureau of Statistics. 6202.0 - Labour Force, Australia, October 2018

