



Breaking the Cycle of Homelessness
for Women and their Children

THE AFTERMATH PLAN: Responding to Homelessness in the Wake of COVID-19
Supplemental Information: Cost Estimate

- Win estimates that approximately 325,000 of New York City’s most vulnerable households are at risk of losing their housing.¹
- Win’s *Aftermath Plan* outlines steps government must take to prevent disaster for vulnerable families and to prevent a tidal wave of demand for our already overburdened shelter system. Two key interventions we identify are the **Stay at Home Emergency Voucher** to help households stay in their homes and **NYC Rapid Rehousing** to help rehouse households who lose their housing quickly.
- Failure to create these programs will exact an extraordinary human toll, and the monetary cost of business as usual will be exorbitant. The table below shows the estimated costs of action vs. inaction, depending on what share of the 325,000 at-risk households come to the city for assistance.

Annual cost of serving at-risk households...	Scenario 1 Cost: Emergency Voucher/Rapid Rehousing	Scenario 2 Cost: Business as Usual (Shelter)
... If 50% seek assistance (162,500 HHs)*	\$ 2,620,000,000	\$ 7,080,000,000
... If 25% seek assistance (81,250 HHs)*	\$ 1,310,000,000	\$ 3,540,000,000
... If 15% seek assistance (48,750 HHs)*	\$ 790,000,000	\$ 2,130,000,000

*We assume 9 percent of households seeking assistance will enter shelter regardless of what the city does. This adds another \$900,000,000 in estimated costs, in addition to the numbers listed above.

- The **cost per household** for these two new programs is approximately \$20,000/year for permanent housing compared to \$50,000/year for these same households to be in shelter.
 - We estimate that the **Stay at Home Emergency Voucher** will cost approximately \$5,000/household per year.
 - We estimate that the **NYC Rapid Rehousing** will cost approximately \$30,000/household per year.

¹ To estimate the number of NYC households most at risk, we calculated the number of households with incomes below 50% of the Area Median Income, who are rent burdened (paying more than 30% of their income on rent pre-COVID), and who work in a vulnerable occupation. We use the NYU Furman Center’s data and definition of vulnerable occupation, which is “those with the highest risk of mass layoffs and workplace closures due to the pandemic.” NYU Furman Center. *What are the Housing Costs of Households Most Vulnerable to Job Layoffs? An Initial Analysis*. March 30, 2020. <https://furmancenter.org/thestoop/entry/what-are-the-housing-costs-of-households-most-vulnerable-to-job-layoffs-an>