

Do homelessness prevention programs prevent homelessness? Evidence from a randomized controlled trial

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Abstract

This paper provides the first evidence from a randomized controlled trial isolating the impact of financial assistance to prevent homelessness. In this study individuals and families at imminent risk of homelessness were offered temporary financial assistance, averaging nearly \$2,000 for those assigned to treatment. Our results show that this assistance significantly reduces homelessness by 3.8 percentage points from a base rate of 4.1 percent. The effects are larger for people with a history of homelessness and no children. Despite concerns about cost-effectiveness due to difficulty targeting, our estimates suggest that the benefits to homelessness prevention exceed costs.

JEL Classification: I38, H75, R21, R28

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