

# Summary Report

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# THE COST OF YOUTH HOMELESSNESS

**"Supporting  
young people is first  
and foremost a huge  
economic opportunity  
that can generate  
benefits for the  
whole society"**



**CENTRE  
POINT**

**ENDING YOUTH  
HOMELESSNESS**

# £8.5bn

## The total annual cost of youth homelessness

£5.5bn (64.8%) - Output loss due to Inactivity/Unemployment

£846m (9.9%) - Criminal Justice

£492.6m (5.8%) - Homelessness Services

£478.1m (5.6%) - Lower Productivity

£473m (5.5%) - Social Security

£456.1m (5.3%) - NHS Health Services

£140.9m (1.7%) - Mental Health Services

£124.5m (1.5%) - Substance Misuse Services



# £27,347

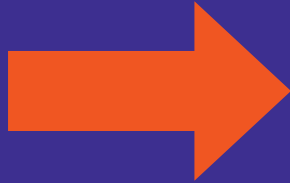
## Annual cost for each homeless young person\*

\*Equivalent to the average salary of a police officer

**Losses** from missed opportunities

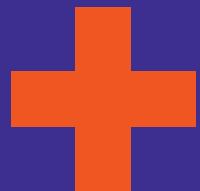
are more than

**double** the direct costs for the government



**MULTIPLIER EFFECT OF 2.4X:**

Each additional pound spent by the government in services to support homeless young people can generate benefits that are more than double what is spent



# Lost potential

While experiencing homelessness, young people cannot access employment and contribute to national economic output due to multiple challenges. This is a huge loss for society in both the short and long term, and represents 70% of the total costs associated with homeless young people.



**Output loss due to inactivity/unemployment**  
**£5.3 – 5.5bn**

**Long-term effect on productivity** £0.5bn

**Output loss due to inactivity/unemployment**



**Long-term productivity loss**

# Homelessness Services

£493m per year  
5.8% of total cost

Scotland - £22.4m (4.5%)

Northern Ireland - £12.4m (2.5%)

England - £453.3m (92%)

Wales - £4.5m (0.9%)

# Social Security

£473m per year  
5.5% of total cost



**Universal Credit:** 111,263 extra claims per year  
[~4% of the total UC claims] - £396 million per year

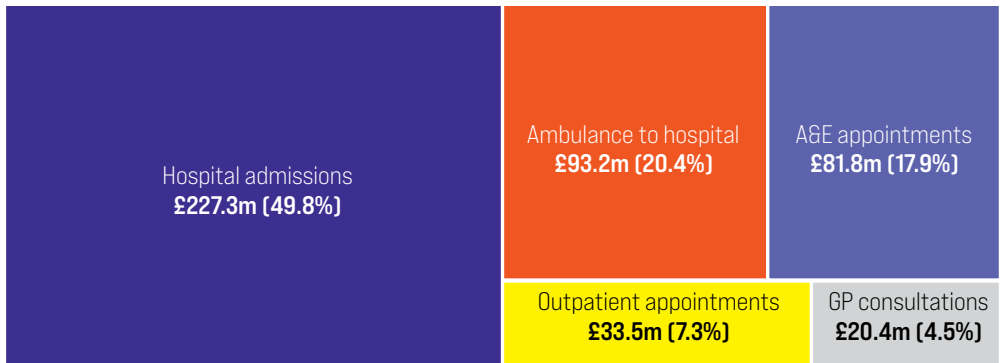


**Housing benefit:** £77m per year

# Healthcare

**£722m per year**  
**8.4% of total cost**

**General Health Services:**  
**£456m per year**



**Mental Health Services: £141m per year**

Annual average cost for homeless young person - **£2,409**

Annual average cost for young person - **£813**

**Substance Misuse Services: £125m per year**

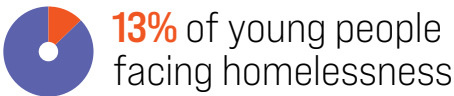
Substance	Direct Costs (nearest £1,000)	Indirect Costs (nearest £1,000)	Total (nearest £1,000)
Drugs	£50,831,000	£53,644,000	£104,475,000
Alcohol	£11,294,000	£8,772,000	£20,065,000
Total*	£62,125,000	£62,415,000	£124,540,000

\*Difference due to rounding

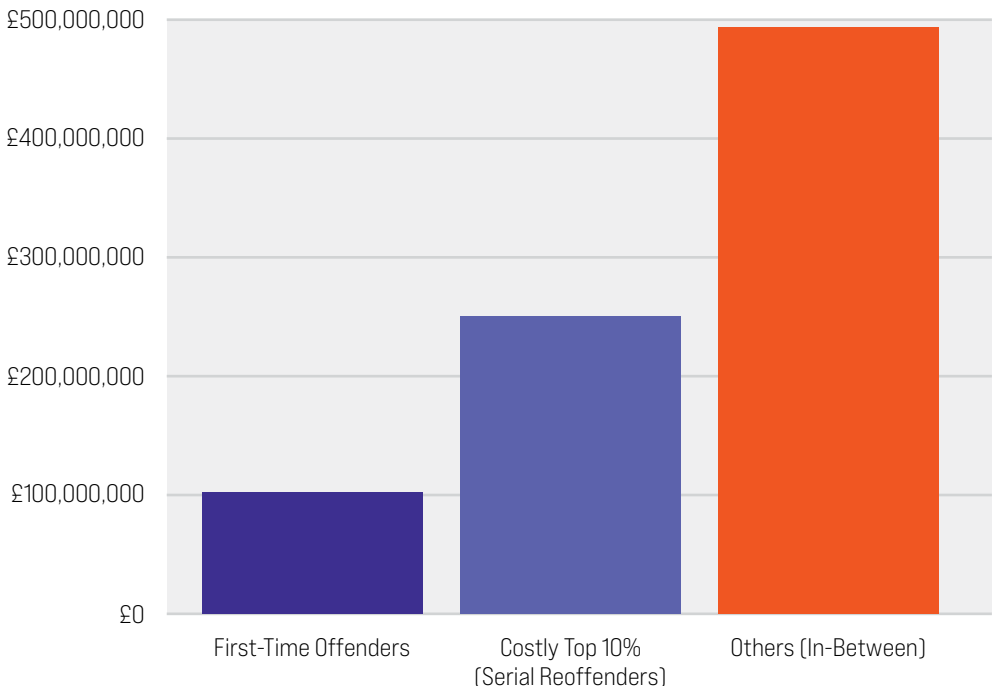
# Criminal Justice

£846m per year  
9.9% of total cost

## Offending rates



## Criminal justice costs by type of offender



# Key Recommendations

## The government should:

- ✓ **Provide under 25s living independently with the same Universal Credit rate received by over 25s.** The Universal Credit standard allowance for under 25s is over £16 less a week than that for over-25s.
- ✓ **Make work pay in supported housing** equalising the taper rate for people in supported accommodation by decreasing the 65 per cent taper rate for Housing Benefit to 55 per cent, as well as increasing the applicable amount that young people can earn before losing their full Universal Credit allowance.
- ✓ **Provide grants to apprentices and those on traineeships aged 16 to 25 who cannot live at home** to help cover the costs of travel, other work-related expenses as well as their living costs.
- ✓ **Invest in further promoting and making traineeships more accessible**, as a vital stepping stone for those young people who are ready to enter the workplace but need to build skills and experience.
- ✓ **Increase resources for underfunded services.** Some services, e.g. mental health support, have been historically underfunded and it is not surprising they represent only a small fraction of the total costs associated with youth homelessness as many young people are not even able to access them.
- ✓ **Make sure age-disaggregated data for the expenditure of every government service is available and accessible to all.** Accessible and good quality data on young people is very challenging and no review and control on public services can be successful without this crucial information.

To find out more, [scan the QR code](#) and read the full report, or contact our team at [prc@centrepoin.org](mailto:prc@centrepoin.org)



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