The Impact of Housing Supports on Mental Health

Background

The number of homeless individuals and families continues to grow. In 2024, nearly all populations experienced record levels of homelessness, with families with children having the largest single-year increase. A lack of safe and stable housing worsens mental health and exacerbates existing mental illnesses. Though having a mental illness or mental health condition by itself does not cause homelessness, some individuals with a mental health condition are more vulnerable to being homeless due to the nature of the condition.

Effects on Health

Trauma resulting from unstable or unsafe living conditions can cause or worsen a mental health or substance use condition and make it harder to obtain a place to live. Quality, affordable housing is a protective factor for reducing psychological distress in families and can help people with mental health conditions live and thrive in a community with others. Children's health is particularly at risk when exposed to homelessness. Teens who experienced homelessness or unstable living conditions as infants were more likely to report depression, anxiety, and overall reduced health compared to other teens. Providing tools to facilitate resiliency and independence is important for avoiding homelessness as it is difficult to provide adequate and humane mental health services to people who do not have somewhere to live.

Impactful Policies and Programs

As states and towns draw up policies to address the visibility of homeless individuals, many have implemented policies that don't work or are unproven. Displacement of people out of sight and out of mind through tickets, sweeps, arrests, and involuntary hospitalization may address mounting public pressure to solve visible homelessness, but it does nothing to address the root of the problem.

In contrast, programs such as the Intensive and Sustained Engagement and Treatment (INSET) program that utilize peer support specialists to engage people with significant mental distress at risk of involuntary commitment, are most effective in addressing the underlying issues and addressing the individual's need for mental health support and preventing homelessness.

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1. Lisa Sloane, M.P.A. (2024). Priced Out: The Affordable Housing Crisis for People with Disabilities in 2024.
2. Treatment Advocacy Center (2024). The state of homelessness for people with SMI.
3. HUD Exchange (2025). CoC: Continuum of Care Program.

INSET has been shown to increase independent living, reduce homelessness, and decrease hospitalization, thus, saving hundreds of thousands of dollars in inpatient care costs per participant. Community agencies already working with vulnerable populations must be engaged as key mental health care stakeholders to reduce the burden of mental health conditions and promote access to affordable housing.

Recommendations

MHA's recent Policy Institute panel on Nutrition and Housing highlights the importance of integrating safe and affordable housing with community services for mental health.

MHA recommends increased investments in housing and services which can be funded by the Department of Housing and Urban Development, including the Section 811 for People with Disabilities program, and the Continuum of Care program, with support from the Substance Abuse and Mental Health Services Administration.

MHA recommends incentivizing linkages between Medicaid and Medicare providers and human service organizations to increase access to housing and tenancy services.

MHA encourages the formation of a national bipartisan task force to study and address core drivers of homelessness including housing affordability and to implement accommodations for people with disabilities.

About Mental Health America

Mental Health America is the nation's leading community-based nonprofit dedicated to addressing the needs of those living with mental illness and promoting the overall mental health of all. Our work is informed, designed, and led by the lived experience of those most affected. To learn more, visit https://mhanational.org/policy-issues.