How Finland Ended Homelessness

Marybeth Shinn
Jill Khadduri

This article is adapted from a discussion in the authors’ book, In the Midst of Plenty: Homelessness and What to Do About It, published in March 2020.

In June 2019, The Guardian ran a piece entitled “It’s a miracle”: Helsinki’s radical solution to homelessness,” noting that Finland was the only European country where levels of homelessness were falling (Henley, 2019). Indeed, Finland has largely ended homelessness as the U.S. Department of Housing and Urban Development (HUD) defines it. Because Finland uses a broader definition of homelessness, including living temporarily with family or friends, the Finns have not yet met their own goals. Even by this broad measure, Finland more than halved homelessness as observed in annual point-in-time counts, from more than 18,000 people in 1987 to less than 5,000 in 2019 (ARA, 2019, updated by Hannu Ahola). This article surveys Finland’s success and analyzes what the United States can learn from it.

How Finland Ended Homelessness

The Finnish government first set a goal of eliminating homelessness in 1987 and instituted an annual survey analogous to a U.S. Point-in-Time count to monitor progress (Pleace, 2017). In 1987, 17,110 single people and 1,370 families were recorded as experiencing homelessness. At the time, Finland, like other Nordic countries, largely used a “staircase” approach to homeless services, in which service users move from one level of accommodation to the next by meeting treatment goals.

Using the staircase approach, Finland more than halved homelessness by 1994, but then progress slowed, as shown in exhibit 1. In particular, between 2004 and 2008, the number of single homeless individuals hovered between 7,400 and 7,960. Finland’s annual homeless reports attributed the stalled progress to a group of people with high support needs who were experiencing long-term homelessness, analogous to chronic homelessness in the United States (Pleace, 2017).
Researchers suggested that the staircase approach “can work well with those who have opted for substance abuse rehabilitation and can cope with shared housing. However, the insistence on service users being intoxicant-free and able to take control of their lives has proven to be an insuperable barrier for many homeless people with multiple problems” (Tainio and Fredriksson, 2009: 188).

A group of Finnish experts who analyzed the problem and issued a report called “Name on the Door” argued that eliminating long-term homelessness “requires adopting the Housing First principle where a person does not have to first change their life around in order to earn the basic right to housing. Instead, housing is the prerequisite that allows other problems to be solved” (Y-Foundation, 2017: 9). “In the Housing First model, a dwelling is not a reward that a homeless person receives once their life is back on track. Instead, a dwelling is the foundation on which the rest of life is put back together” (Y-Foundation, 2017: 10). Residents echo this perspective: “An apartment means security—now I have a home to return to. I feel important again now that I am responsible for my own life. I am someone again, I am me. I feel that I have to take care of my own business now” (Y-Foundation, 2017: 57).

**Exhibit 1**

**Literal Homelessness and Staying with Family and Friends in Finland**

Notes: “Outside, in shelters” includes overnight shelters and dormitory-type housing or boarding houses where people stay with the help of daily social assistance vouchers. “In Institutions” includes substance abuse and other treatment and rehabilitation services, and “sheltered homes,” provided that people do not have rental agreements, do not intend to stay permanently, and seek other housing solutions. Staying temporarily with friends and relatives is considered as homeless in Finland, but is not included in comparable annual counts in the United States. These three categories refer to “lone individuals.” Because very few families experience any type of homelessness in Finland, types of homelessness are not reported separately for families. Thus, the “Homeless families” category includes an unknown proportion of families staying with friends and relatives. Sources: ARA, 2019; underlying numbers supplied by Hannu Ahola
The Finnish National Program to reduce long-term homelessness, adopted in 2008 and renewed in 2012, built on this housing first principle. A person who is homeless goes directly into a rental apartment, either an independent apartment or a unit in a supported housing development, and has the opportunity to choose services and supports. Staff in supported housing developments treat clients as equals and strive to build community (Y-Foundation, 2017: 15).

The program was a broad partnership between national and municipal authorities and the non-profit sector. The Y-Foundation led a collaborative effort. Founding bodies included the Association of Finnish Local and Regional Authorities, five cities, the Evangelical Lutheran Church, the Red Cross, the Confederation of Finnish Construction Industries, the construction trade union, and the Finnish Association of Mental Health (Taino and Fredriksson, 2009).

A Housing First approach requires housing, and Finland set about converting shelters into apartment units and buying and constructing housing for Housing First. In 1985, Helsinki had 2,121 shelter and hostel beds1, and by 2016, the number had shrunk to 52. Meanwhile, supported housing units in Helsinki grew from 127 to 1,309, and independent rental apartments for (formerly) homeless people increased from 65 to 2,433 (Y-Foundation, 2017: 30). The Y-Foundation is currently the fourth largest landlord in Finland.

In its greater reliance on congregate as well as scattered-site housing models, the Finnish approach to Housing First differs from the evidence-based programs pioneered by Pathways to Housing in New York City (Tsemberis, Gulcur, and Nakae, 2004) and again proven successful for people with serious mental illnesses in the five-city Canadian At Home/Chez Soi experiment (Aubry et al., 2016; Stergiopoulos et al., 2015). Scattered-site housing may be less available in Finland, where only 19 percent of the housing stock is private rental units (Edwards, 2018). Finland applies its Housing First model to everyone, whereas the United States tends to reserve supportive housing (the term commonly used here) for people with mental illnesses and other disabilities. Supportive housing in the United States is frequently considered congregate or single-site (project-based), financed by HUD’s housing assistance programs and the Low-Income Housing Tax Credit program. The congregate model has not been as rigorously evaluated as the scattered-site approach, but a report by the National Academies of Sciences, Engineering, and Medicine (2018) deemed both forms of permanent supportive housing effective in ending homelessness.

Tenants in Finnish congregate programs live in buildings with other service recipients and engage in some communal activities, but they still have their own apartments and their own leases. Clients have a choice of programs: some ask for a commitment to sobriety; others do not. Programs focusing on younger people have some shared apartments. Instead of receiving housing subsidies linked to the rent of the apartment, tenants pay the entire rent, using a variety of income sources provided by the government. These include housing, child, disability, unemployment, student, and pension allowances, depending on the person’s circumstances. If those sources of income do not suffice, social assistance (akin to welfare in the United States) fills the gap. Compared to the Pathways Housing First model in the United States, Finland also relies more on ordinary

---

1 “Shelter and hostel beds” includes overnight shelters and “dormitory-type housing or … boarding houses with the help of daily social assistance vouchers.”
community services, especially in the scattered-site apartments, rather than on dedicated services from a multi-disciplinary team.

Because programs that house a group of clients in the same building can encounter more community resistance than scattered-site apartments, the Finns have developed elaborate strategies to combat opposition from neighbors. Tenants engage in “neighborhood work,” such as collecting litter or maintaining parks. In one neighborhood, residents donned safety vests and kept watch over a bus stop used by schoolchildren. Neighbors have access to a 24-hour hotline to report any problems (Y-Foundation, 2017). The Finnish approach also differs from Housing First as commonly used in the United States to refer broadly to a strategy of getting people into housing without prerequisites, regardless of whether or not that housing is permanently affordable.

Can the United States Replicate Finnish Success?

Finland is a small and homogenous society, but it is less wealthy overall than the United States. Size, by itself, is not a barrier to implementing the sort of program that has worked in Finland. Finland’s social welfare programs are more effective at reducing poverty. Considering only market income, the United States has relatively high levels of poverty (as defined by the international standard of the proportion of the population with income less than 50 percent of median income), but it is not off the charts. By this measure, Finland has slightly higher poverty (32.4 percent versus 31.2 percent for the United States; Gornick and Jäntti, 2016); but social welfare programs do far less to reduce poverty in the United States than in other wealthy countries. After considering tax and social benefit programs, 16.2 percent of Americans are below this relative poverty line, compared to 7.2 percent of Finns. Other countries, such as the Netherlands, do better still at reducing poverty, where the population below the poverty line is 4.8 percent (Gornick and Jäntti, 2016). More homogenous societies, like Finland and the Netherlands, tend to have more generous social welfare programs compared to those in the United States (Alesina and Glaeser, 2004). The choice of spending on social welfare is essentially a political choice, not one dictated by homogeneity. We could choose differently.

Additional factors, perhaps more easily replicated, may account for Finland’s success in ending homelessness. The Y-Foundation credits the housing first approach. One of the international group of experts that Finland brought in to evaluate their efforts in 2014 suggests that two other factors were critical: the focus on housing and the political consensus across different levels of government and the private sector (Pleace, 2017). The United States achieved substantial success in nearly halving homelessness among veterans by attaining the same sort of political consensus and providing resources—for example, greatly expanding a scattered-site supported housing program for veterans called the HUD-VASH program2. Without Finland’s social benefit programs, the United States would need to rely more heavily on an expansion of housing subsidies, particularly the Housing Choice Voucher program.

We believe additional factors were important to Finland’s success: continual reflection based on internal and external evaluations, along with a willingness to adapt models from other countries.

---

2 HUD-U.S. Department of Veteran Affairs (VA) Supportive Housing (HUD-VASH) Program.
based on those evaluations, and continuing analysis of shifting needs. The most recent 2016 plan, adopted in the wake of success in essentially ending chronic homelessness, focuses on prevention and additional forms of homelessness for youth, women, migrants, and asylum seekers with residence permits (Pleace, 2017; Y-Foundation, 2017). This plan, too, is something the United States could emulate.

Acknowledgments

The authors would like to thank Saija Turunen of the Y-Foundation and Hannu Ahola of the Housing Finance and Development Center of Finland (ARA) for access to data on reductions in homelessness in Finland.

Authors

Marybeth Shinn is a Cornelius Vanderbilt Professor in the Department of Human and Organizational Development, Peabody College, Vanderbilt University.

Jill Khadduri is a principal associate and senior fellow at Abt Associates, a social science research firm.

References


