

Investing in housing & health

UnitedHealth Group & Stewards of
Affordable Housing for the Future

The housing crisis and its impact on health care

With rents soaring above what is affordable, many households are struggling to secure or maintain stable housing.

America's Rental Housing 2024, published by the Joint Center for Housing Studies of Harvard University, reports that in 2022 as rents spiked during the COVID-19 pandemic, a record half of U.S. renters paid more than 30% of their income for rent and utilities. Nearly half of those people were severely cost-burdened, paying more than 50% of their income.^{1,2} Despite the impact that stable housing has on our health and wellbeing, our country is also short 7 million rental homes³ to meet the needs of households that are extremely low-income, defined as those with incomes below federal poverty guidelines or 30% of the area median income. In fact, **as of March 2024, there are only 34 affordable rental homes available for every 100 extremely low-income households.⁴ No state has an adequate supply of affordable rental housing for the lowest-income renters.** The crisis has grown at higher income levels as well, and in communities all over the country, creating housing instability for people working full-time and those with critical jobs like teachers, nurses and emergency responders. **It is estimated that this lack of affordability costs the American economy around \$2 trillion per year⁵ in lower productivity and wages because families have constrained opportunities to increase earnings without stable housing.**

The housing crisis poses significant health and well-being risks, as unstable housing conditions contribute to stress, insecurity and hinder access to essential services, perpetuating a cycle of disadvantage and hardship for affected communities.^{6,7}

The benefits of a safe, quality home are well documented, and the location of your home can improve access to important community resources that influence health, such as jobs, health providers, recreational spaces and healthy foods.

Beyond the value of a well-located, well-built and well-maintained home, reducing housing instability (e.g., the threat of eviction and frequent moves) can lead to less stress, improve mental health and help children achieve better educational outcomes.¹⁰

Affordable housing can also offer a clear pathway out of poverty for many Americans by allowing residents to dedicate more time and financial resources towards activities that will help them increase their economic mobility, from furthering their education to saving for the future and improving their health outcomes. Stable, affordable homes improve health outcomes.

The housing crisis also highlights the inequities that many individuals in this country experience. The national housing crisis profoundly affects individuals across all demographics but can especially impact seniors living on a fixed income, military personnel, households earning below the federal poverty guidelines and people of color. **Twenty percent of Black households, 18% of American Indian or Alaska Native (AIAN) households and 16% of Hispanic households identify as extremely low-income renters compared to 6% of white non-Hispanic households.**¹¹ The stark disparities in housing access and outcomes are rooted in long-standing systemic inequities¹² stemming from underinvestment in communities of color through historic policies¹³ including redlining, racial covenants, urban renewal and regulations around zoning. Due to these inequities, those experiencing housing instability – oftentimes low-income Black and Brown families – are at a greater risk for a range of negative health outcomes.¹⁴ Increasing access to affordable housing is a critical element of advancing health equity.

Conversely, segregation of communities and resources can widen health disparities.⁹

Investing in housing is core to advancing health equity

At UnitedHealth Group, health equity is defined as a state in which all people are able to live their healthiest lives.

The company works with communities, providers and partners to address the barriers that result from the circumstances in which people are born, live, learn, work and age, enabling the health system to work better for everyone.

Investing in affordable homes is an investment in the health of people and communities.

Since 2011, UnitedHealth Group has prioritized investing in housing developments that offer affordable and fair market rental homes to help revitalize the communities of greatest need.

Investments in affordable housing are part of UnitedHealth Group's commitment to advance health equity and promote community environments that enable people to live their healthiest lives.

In 2023, UnitedHealth Group surpassed the \$1 billion affordable housing investment milestone that helped to create more than 25,000 rental homes across 31 states and the District of Columbia. UnitedHealth Group's affordable housing investments are made through low-income housing tax structures, social impact investment strategies and the Community Reinvestment Act.

UnitedHealth Group's investment portfolio strategically spans a continuum of housing solutions, from mixed income properties and affordable housing developments to supportive housing initiatives, aiming not only to alleviate the housing crisis but also to ensure proper wrap-around care to promote residents' health and well-being. Properties in UnitedHealth Group's portfolio range from new developments to rehabilitation and preservation. Geographies include urban, suburban and rural settings, and demographics are inclusive of families, seniors and military veterans. Pursuing a diverse

range of housing investment options ensures the specific needs of communities are met. The housing investments create a multiplier effect that improves economic stability and positively impacts overall community health and quality of life by attracting additional investments, often retail, in support of the housing developments.

Most importantly, **we know that affordable and mixed income housing investments can positively impact health care utilization. Data shows that individuals with a history of homelessness have 40% fewer wellness visits for preventive care and experience, 150% more emergency department visits and 160% more acute inpatient admissions.**¹⁵ Data also suggests that utilization patterns and health care costs are twice as high for individuals that have experienced homelessness. The impact that health related social needs, like housing, continues to have on the health care utilization patterns of the individuals we serve has further reinforced UnitedHealth Group's commitment to expanding our housing investment portfolio and to ensure that our housing investments are coupled with community-based health care programming.

Over 20% of the developments within UnitedHealth Group's housing portfolio have been created in connection with onsite or near-site health and social programming that is made available to all residents and community members. This critical element of UnitedHealth Group's investment strategy is intended to increase access and reduce barriers to health and well-being services for residents with the understanding that many individuals who have previously been challenged with accessing housing have also been challenged with accessing health care services necessary for prevention, wellness and chronic condition management.

One of UnitedHealth Group's largest housing development partnerships that integrates supportive health and social programming is with the Health & Housing Fund, which ensures every housing investment has critical community-based programming.

Through collaborative partnerships and innovative strategies like the Housing & Health Fund, UnitedHealth Group empowers individuals with the necessary resources and support systems to lead fulfilling and healthy lives, thereby fostering long-term resilience and prosperity for all.

UnitedHealth Group will continue to invest in housing with a purpose and align with partners who prioritize the integration of housing and health so that communities across the country benefit from having the necessary infrastructure and services that enable all people to live their healthiest lives.

Partnership in action: Health & Housing Fund

In June 2020, UnitedHealth Group made a pioneering investment in the Health & Housing Fund, a partnership of Stewards of Affordable Housing for the Future (SAHF) and National Affordable Housing Trust (NAHT).

NAHT has raised and placed capital with some of the highest mission-focused partners in the marketplace, including organizations that prioritize resident services.

Through this partnership, UnitedHealth Group has committed more than \$200 million in capital towards affordable rental homes and has committed grant funding for on-site resident services that target a standard set of social drivers of measurable health outcomes.

Services and programs at properties financed through the fund address the goals and needs of residents and the broader community. The Health & Housing Fund builds on SAHF's Resident Outcomes Initiative, which is continuing to demonstrate the impact of service-enriched affordable homes for residents while promoting a resident-centered framework for service coordination. These partnerships are helping to not just address access to health care, but also address the social factors and environmental influences that lead to poor health outcomes and health disparities.

So far, the fund has supported a variety of programs and services that address the social and environmental factors that impact health and wellness. While outcomes are somewhat standardized across properties, the model provides flexibility to property owners and residents to design programs that are tailored to the goals, priorities and needs of specific populations and communities.

Funded programs have included:

- **Technology lending programs** using tablets to address social isolation for residents
- **Food pantries with nutrition education** and healthy eating programming to address nutrition insecurity
- **Resident Service Coordinators** to help residents navigate health care access and improve overall well-being
- **Resident-led fitness and wellness programs** that include an activity tracker lending program

Demographics of residents who have access to these services include:

- **Age:** 42% of residents are working-age adults and 58% of residents are seniors (65+ years). (Note: children also reside in family properties but are not included in these totals as they do not complete surveys/assessments).
- **Gender:** 74% of residents identify as female and 26% identify as male.
- **Race/Ethnicity:** 48% of residents identify as Black/African-American, 24% as Non-Hispanic White, 18% as Hispanic/Latinx, 7% as Asian and 3% as Other/Multiracial.

Unstable housing can have significant impacts on health outcomes such as barriers to both physical and mental health care, food insecurity, social isolation and safety concerns.

A core element of the Health & Housing Fund is to track the impact of the health and social programming on residents' overall well-being. After two years of measuring results against the baseline, the following was observed:

- **Established Relationship with Healthcare Provider:** Residents are more likely to have an established relationship with a health care provider compared to U.S.-wide populations at similar income levels; 96% compared to 95% for seniors and 85% compared to 71% for working-age adults.
- **Routine Check-Ups:** Residents are more likely to have a routine check-up in the past year compared to U.S.-wide populations at similar income levels. Among residents, 95% had a check-up in the past year, compared to 67% of working-age adults and 90% of seniors U.S.-wide, as surveyed by the CDC.
- **Mental Health:** Residents are more likely to report positive mental health than low-income individuals across the U.S. Only 10% of residents reported more than 14 days of poor health compared to 22% of low-income survey respondents in the CDC Behavioral Risk Factor Surveillance System.

These indicators highlight the complex interplay between housing stability, purposeful connection to supportive services and health outcomes, emphasizing the importance of addressing housing insecurity as a key component of promoting overall well-being.

A call to action for the private sector

A stable, affordable home is central to people's ability to live their healthiest lives, including having access to health care and managing their health, maintaining employment, pursuing an education, and so much more.

Given the interconnectedness of housing and health, the private sector has an incentive to be a strong supporter of housing programs at the federal, state and local levels, as well as being a supporter of developing cross-sector partnerships that are critical to the sustainability of the programs.

With the right alignment, investment and collaboration, the private and public sectors can effectively partner with communities to help them create transformational changes in their health and vitality.

There are three areas in which private sector organizations can lean in with the communities they are rooted in.

Invest with Purpose in Housing

Private capital can support improved health outcomes for communities by investing in an expanded supply of mixed income and quality affordable housing developments. To create and preserve affordable housing, the private sector can provide flexible capital through a range of investment strategies including debt, equity or tax equity arrangements. Credit enhancements can be added to both debt and equity investments to manage investment risk. The private sector can begin with community listening to understand the type of housing support most needed such as new development, rehabilitation of existing developments, family housing, senior housing and veteran housing. It is also important that the housing development partners selected for the investments consider the needs of the community and how service coordination may help narrow gaps. Residents need access to critical health care services, social programming and grocery stores with fresh, inexpensive produce, in addition to environmental conditions that lower stress and support clean water, walkable amenities for exercise, employment opportunities and a feeling of safety.

Partner to Integrate Housing and Health Care

Private sector organizations, especially those in the health care industry, have the opportunity to engage and partner with an array of stakeholders to strengthen and expand the connection between health and housing within their communities.

- **On-site or Near-site Service Coordination:** Support and finance housing that includes curated on-site or near-site resident-centered services that address social drivers of health and unmet needs due to limitations in previously existing community resources. Services should be made available to residents and community members alike so that the entire community can benefit from the programming.
- **Neighborhood Clinic Partnerships:** Develop or facilitate partnerships with nearby health clinics. Affordable housing is very often built near these clinics. Creating intentional collaboration with them can expand access to health care for residents.
- **Shared Payment Models:** Explore "shared payment" model for a more sustainable approach to financing community-based health and social programming. Often a single organization may not have enough individuals to make paying for services onsite possible, but in partnership with other organizations, there can be a critical mass of individuals to make paying for on-site service coordination possible.

Create Sustainability in Services

The private sector has the means to contribute meaningful capital to fund the development and rehabilitation of affordable housing and corresponding community resources, but it is also important to consider the long-term sustainability plans for these investments. The private sector and public sector must work together to align policy and financing levers to sustain these investments at the county, state, and federal levels. Successful, sustainable models that UnitedHealth Group has participated in have included cross-sector coalition-led, state-sponsored outcome-based financing investments in supportive housing programs and county-led, HUD-sponsored permanent supportive housing programs. It is critical for these types of sustainable programs to be scaled and replicated across the country. However, as successful as these models are, program design should go beyond permanent supportive housing models. Newly introduced Medicaid funding mechanisms in certain states have created a path to increase coordination of essential housing services and supports, but sustainable funding and program coordination for those covered by Medicare and employer-sponsored plans remains unaddressed.

The road ahead

Healthier communities are stronger and more prosperous communities.

However, we cannot build healthy communities without homes – and these are in short supply. UnitedHealth Group, Stewards of Affordable Housing for the Future and National Affordable Housing Trust have a unique understanding of this nexus and look forward to continued collaboration with public and private sector organizations to reduce disparities by investing, partnering and advocating for affordable rental homes that are connected to services that support key drivers of health.

By making capital investments in resident-centered, affordable homes and the mission-driven actors that create them, the private sector can be a strong partner in creating vibrant, sustainable communities that help all people live their healthiest lives.

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