

Michigan Recovery Housing Financial Landscape Study Findings



Summary

To learn more about the financial landscape of recovery housing (RH) programs in Michigan, the Fletcher Group and the Michigan Association of Recovery Residences (MARR) conducted a survey of recovery housing (RH) organizations in winter 2024. The study's sample comprised of 30 operators, encompassing 101 homes and serving 849 residents. Given the total sampling pool in the state, this survey yielded a 35% response rate.

Results

Operating Costs	<ul style="list-style-type: none">• The median annual operating cost of RH organizations was \$182,000 but ranged between \$49,000 to \$20.5 million.• Organizations spent an average of \$6,000 per resident served annually.• Mortgages, rent, operational staffing, utilities, and programming account for most operating costs.
Revenue	<ul style="list-style-type: none">• Most RH revenue comes from resident fees, local and state grants, private donations, and Medicaid.• Qualitative analysis showed the need for increases in the number and type of funding opportunities available, specifically multi-year funding opportunities.• Operators noted funding barriers related to staffing, capital costs, data collection software, and recovery coaches.• Respondents indicated challenges in finding and applying for grants.
Financial Resiliency	<ul style="list-style-type: none">• On average, RH organizations see themselves to be moderately financially resilient.• 52% of organizations received most of their revenue from one source.• 64% of organizations indicated financial resources were the most significant barrier they faced to continued operation.• Many organizations disagreed that community and government partnerships would be helpful in dealing with future financial crises.



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