

Comment on Victoria Basolo and Mai Thi Nguyen’s “Does Mobility Matter? The Neighborhood Conditions of Housing Voucher Holders by Race and Ethnicity”

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Abstract

Creating the opportunity for minorities to move away from poor, racially concentrated neighborhoods to better ones is an important goal of the Housing Choice Voucher Program. However, mobility is not its only—or even its primary—objective. Rather, it aims to reduce severe rent burdens for very low income families and individuals.

Basolo and Nguyen imply that the voucher program by itself can overcome entrenched patterns of racial discrimination. This is unrealistic, even when families receive search assistance. Instead, the test is whether a minority family with a voucher is more likely to live in a low-poverty, low-minority neighborhood than the same family without a voucher. The program passes that test. However, Basolo and Nguyen’s analysis points to the need for more research on voucher use in localities like Santa Ana where overcrowded housing is an issue, in neighborhoods with a mixed minority population, and in specific metropolitan areas.

Keywords: Housing assistance programs; Mobility; Neighborhood

Introduction

Basolo and Nguyen summarize the support in the social science literature for believing that an important objective of the Housing Choice Voucher Program (HCVP) is to create opportunities for poor families, especially minorities, to move to better neighborhoods. They characterize the HCVP as a “passive mobility program that relies on voucher holders to make personal residential choices resulting in deconcentration” (303) of low-income and minority families. They compare that program with the Gautreaux and Moving to Opportunity (MTO) demonstrations, which require black families

to use voucher subsidies in low-minority (Gautreaux) or low-poverty (MTO) locations. Their analysis of survey data for a sample of households using vouchers issued by the Santa Ana (CA) Housing Authority leads them to the conclusion that “minority deconcentration may not be accomplished through the voucher program” (303) because minorities who use vouchers live in worse neighborhoods than their non-Hispanic white counterparts.

The article provides important insight into experience with the HCVP in a locality with a population that includes three minority groups—blacks, Hispanics, and Asians—and a more complex picture if one considers the diversity of national origin among Asians in Southern California. Because of the particular circumstances of the black population—circumstances growing out of the history of legal housing discrimination and the extreme spatial concentration of black households in many large U.S. cities—most analysis and policy discussion up to now have focused on the experience of blacks using vouchers. Basolo and Nguyen find that in Santa Ana and surrounding Orange County, voucher users from all three minority groups, on average, live in worse neighborhood conditions than their non-Hispanic white counterparts. Among survey respondents, the small group of blacks was particularly likely to say that landlords were resistant to renting to voucher holders and that a lack of available units in Orange County was an impediment to moving.

These are important findings, even if they are limited to one metropolitan area, and I agree with some of the authors’ recommendations:

1. In difficult housing markets such as metropolitan portions of Southern California, jurisdictions that control resources that could be used to produce rental housing should use them for that purpose (and, I would add, *outside poverty areas*).
2. Any changes to the design of the HCVP should retain a strong commitment to portability (and, I would add, *performance incentives that reward public housing authorities for helping families choose housing outside poverty areas*).

However, I disagree with two aspects of the underlying thrust of this article. First, it gives the impression that the HCVP’s primary objective is mobility. In fact, although in recent years there have been efforts to take better advantage of the program’s potential for reducing racial and economic concentration, its core objective has always been to reduce recipients’ housing cost burden. Over time, the program has taken on other goals, including permitting doubled-up families to rent their own units and providing permanent housing for people who have become homeless. Second, the article implies that the

HCVP, *by itself*, should be expected to overcome the patterns of racial and ethnic separation that remain deeply rooted in American life. This is an unrealistic expectation: It both underestimates the levels of separation that must be overcome and overestimates the possible impact of the mobility aspects of the program. I will now expand on these observations.

The goals of the HCVP

The main function of the program, inherent in its design, is to reduce the severe rent burdens that, as of the late 20th century, had become the main housing problem of the nation's poor. On that basis, in 1982, the President's Commission on Housing made the case for relying on tenant-based vouchers as the core of housing policy for low-income renters.

Severe rent burden continues to be the overwhelming housing problem of very low income families and individuals. A recent analysis of renter housing needs produced by the U.S. Department of Housing and Urban Development (HUD) shows that in 1999, there were 4.55 million renters who had incomes below 50 percent of area median income and no housing assistance and who paid more than half of their income for rent. By contrast, only 526,000 lived in severely substandard housing, and only 609,000 lived in crowded conditions (Nelson et al. 2003).

Vouchers succeed in reducing rent burden. A typical household using a voucher reduces its rent burden from 67 percent of income to 35 percent (Leger and Kennedy 1990). About a fifth of families and individuals who use vouchers stay in the same unit (Finkel and Buron 2001), and these households experience the largest reductions in rent burden (Leger and Kennedy 1990).¹ For these "stayers" and for others who change units without improving their neighborhoods, the relief of financial distress that comes from paying a more reasonable portion of income for housing is a huge benefit and the hallmark of a successful program.

Further, many voucher users, including minorities, live in parts of metropolitan or nonmetropolitan America where concentrations of poverty and isolation of racial and ethnic communities are not the compelling problems they are in Santa Ana and elsewhere. Very few voucher users in Orange County live in census tracts with poverty rates exceeding 30 percent or even 20 percent

¹ Although based on a household survey in the late 1980s, this is the most recent published information on the rents households paid before they got vouchers. Because extreme rent burdens continue to be common among households at the income levels typical of voucher users, there is no reason to believe that the pattern is different now.

(Devine et al. 2002). Using indicators other than the poverty rate, Basolo and Nguyen make a convincing case that Santa Ana has concentrations of minorities living in distressed circumstances. However, many minority voucher users live outside racial and economic ghettos because their areas of the country do not have them. Regardless of where these people use their vouchers, they are not isolated spatially from good schools and services. In these places, the mobility objective of the program is largely irrelevant,² and reducing rent burden is clearly its core purpose.

Furthermore, another growing use of the program that has recently risen to the status of a basic objective is to provide permanent housing for homeless families and individuals.³ While it may be better for those leaving emergency or transitional housing provided by the homelessness service system to find permanent housing outside of areas with concentrated low-income and minority populations, the most important objective is for these families and individuals to remain stably housed and not become homeless again. A person who establishes a record of complying with the rules of private rental housing and maintaining self-reliance (for example, staying clean and sober or keeping a job) while using a voucher should be counted as a success for the program, regardless of the neighborhood in which he or she lives.

Ensuring that people live in housing that meets basic health and safety standards remains one of the HCVP's core objectives. This is the reason the program was established with a housing quality inspection and continues to have that requirement. Enforcement of that requirement brings about improved physical conditions for many households. It also reduces crowding, often by permitting families to get away from doubled-up conditions. Of a sample of families that had children and were interviewed as part of the intake process for vouchers in 2000, 26 percent said that they were living with family or friends rather than in their own units (Patterson et al. 2004). While not all of them were living in overcrowded conditions, many of them probably were. Removing health and safety hazards and alleviating crowding can occur regardless of the type of neighborhood in which voucher families live.

² Basolo and Nguyen and many others use the term “mobility” to mean overcoming poverty and minority concentrations. Another possible use of housing vouchers, one that has received little attention, is to enable people to move away from regions with low employment to areas with more jobs and higher wages.

³ Field work and telephone interviews conducted by Abt Associates, Inc., staff as background for a best practices guidebook found that a very large number of successful transitional housing programs rely on the HCVP for permanent housing placements.

Thus, although the design of HCVP as a choice-based program allows it to be used for helping people move from poor and racially concentrated neighborhoods to better ones, mobility is not its main objective.

Addressing racial segregation and discrimination

Second, even when the program is viewed as a mobility program, it is important not to have unrealistic expectations. By comparing the Santa Ana neighborhoods in which minority voucher users lived with those in which their non-Hispanic white counterparts lived, Basolo and Nguyen imply that the program ought to be able to produce similar spatial patterns among all racial and ethnic groups. This does the program a second disservice by setting up an unrealistic standard. It is too much to expect that by helping people afford rental housing in a broad range of neighborhoods, the program can overcome the patterns of discrimination against racial and ethnic minorities that have persisted throughout American history. This is unrealistic, even when families with vouchers are counseled on the advantages of moving to good neighborhoods and provided with search assistance.

The most recent study of discrimination for seekers of rental housing in U.S. metropolitan housing markets was based on paired testing conducted in 2000. It found that compared with non-Hispanic whites, blacks received unfavorable treatment 21.6 percent of the time; Hispanics, 25.7 percent of the time; and Asians, 21.5 percent of the time. The level of discrimination against black renters had declined somewhat since 1989 (when it was 26.4 percent), while discrimination against Hispanics was essentially unchanged. Researchers consider these to be lower-bound estimates of systematic discrimination. For renters, the adverse treatment measured included “the availability of advertised and similar units, opportunities to inspect units, housing costs, and the encouragement and assistance from rental agents” (Turner et al. 2002, vii).

The diverse ethnic and racial makeup of Southern California does not create lower levels of housing discrimination in that part of the country. The 2000 Housing Discrimination Study found that the net rates of adverse treatment of renters in the Los Angeles metropolitan area were 21.7 percent for blacks, 24 percent for Hispanics, 21.6 percent for Asians of Chinese origin, and 30.7 percent for Asians of Korean origin (Turner and Ross 2003; Turner et al. 2002).

The HCVP cannot by itself overcome the abiding problem of systematic housing discrimination against minorities. That will take aggressive enforcement of fair housing laws and public education that overcomes the fears and

stereotypes harbored by owners of rental housing (and those involved in the supply of housing generally). Regrettably, it will also take time.

The HCVP is successful in promoting mobility

I would pose the efficacy question differently: Is a low-income minority family with a voucher more likely to live in a low-poverty, low-minority neighborhood than the same family without a voucher? We have strong evidence on this question from a study titled *Evaluation of the Impact of the Voucher Program on Welfare Families* (Patterson et al. 2004).⁴ The evidence is strong because this evaluation uses an experimental design. Families that had (or recently had) welfare income were offered the potential opportunity to receive a voucher. Those who were interested and went through the early stages of the process were then randomly assigned to a group that got vouchers or a control group that did not. Such randomness ensures that the groups that are compared are similar, not just on observable characteristics such as race, gender, age, and number of children in the household, but also on things that are hard to measure or that researchers might not have thought about measuring (Greenberg and Shroder 2004). In addition to its experimental design, the study has a large sample size that allows it to produce statistically reliable findings.

The study found that families using vouchers live in slightly better neighborhoods than the control group, with neighborhood quality measured by such census characteristics as poverty rate, percent minority, and adult employment rate. The effect of the voucher on neighborhood quality was small for the sample as a whole, but somewhat larger for blacks (Patterson et al. 2004).

These findings largely reflect the results of the first use made of vouchers immediately after they were issued. Many families subsequently move from their first voucher unit to another, also supported by the voucher, and some

⁴The name of this study has been changed from *Welfare to Work Voucher Evaluation* to *Evaluation of the Impact of the Voucher Program on Welfare Families*, because the funded *Welfare to Work Voucher* demonstration program ended, but the evaluation of its impact on the randomly assigned families is continuing. In addition, this demonstration was implemented by public housing authorities in exactly the same way as the regular voucher program, so the evaluation examines the effect of vouchers, not a variant of the program with different features. The evaluation is being conducted by Abt Associates, Inc., for HUD. One component of the study that is conducting extensive interviews with families about their experiences over the five years since they received a voucher in 2000 is also sponsored by the Rockefeller Foundation, the Annie E. Casey Foundation, and the Fannie Mae Foundation.

make multiple moves. In a study using a large, longitudinal file of household-level administrative data, Feins and Patterson (2005) found that 25 percent of the families that had children, entered the voucher program between 1995 and 2002, and stayed in for at least three years had moved from their original voucher unit. Those who did so lived in slightly better neighborhoods than those who stayed in their original unit. This finding suggests that the effect of vouchers on improving the neighborhood quality of low-income, minority families continues over the entire period of use. The experimental design will let us determine this with more certainty. Because of the control group, we will know whether those without vouchers have also continued to better their neighborhood conditions or, conversely, whether they have moved to progressively worse conditions—in which case the difference between those with and without vouchers may grow.

The effects demonstrated by this evaluation are in the right direction, but they are small. Two things should be borne in mind. First, these families did not receive any special counseling or housing search assistance (Patterson et al. 2004), and therefore the impact of the voucher program on where families live should be thought of as a *minimum* on which programs with such assistance can build.

Second, these findings should be put in the context of other housing assistance programs. The HCVP does much better than public housing and at least as well as privately owned, project-based assisted housing (Khadduri, Shroder, and Steffen 2003; Newman and Schnare 1997). Public housing clearly has had the effect of concentrating low-income minority families. As of 2000, 66 percent of family public housing units in the country's 50 largest metropolitan areas were in census tracts that had poverty rates of 30 percent or more. Around 44 percent of the units in project-based assisted housing (privately owned housing with rental assistance contracts attached to the development) were in high-poverty locations. This compares with only 22 percent of the voucher units occupied by families with children and located in census tracts with poverty rates in excess of 30 percent (Devine et al. 2002). Thus, compared with other types of housing assistance that make rents affordable for the poorest households,⁵ vouchers meet the standard set forth in the Hippocratic Oath: "First, do no harm."

⁵ Only 19 percent of the units produced by the Low-Income Housing Tax Credit (LIHTC) are located in high-poverty census tracts (Climaco et al. 2004). However, poor households often cannot afford the rents charged under this program without an additional subsidy. Without a source of data on the occupants of LIHTC units, we do not know the extent to which poor families with children live in LIHTC developments outside areas of concentrated poverty.

Questions for future research

Basolo and Nguyen remind us of the complexity of the relationship between race and ethnicity and housing markets in 21st-century America and raise important issues for future research. I suggest the following approaches to investigating the issues they have raised:

First, there should be more focus on localities like Santa Ana where overcrowded housing is an issue. To what extent are vouchers issued to families in such places used to reduce crowding? What is the interplay among the poverty or minority concentration of the location where the voucher is used and the quality of the housing along various dimensions, including space, amenities, and condition? It has been almost two decades since a rigorous study of the effect of vouchers on the physical dimension of housing has been undertaken. Crowding, in particular, has been largely ignored, but the problem has been increasing among low-income households, particularly in certain parts of the country.

Another focus of study should be neighborhoods that have a mixed minority population: for example, black and Hispanic or Hispanic and Asian. How common are such neighborhoods, and where are they located? Are vouchers more likely to be used in such neighborhoods than in predominantly white areas? What does this imply for housing quality and for access to jobs, transportation, and quality schools and services?

In general, there should be more analysis, like that undertaken by Basolo and Nguyen, of the use of vouchers at the metropolitan level. HUD has developed, based on the Multifamily Tenant Characteristics System (MTCS),⁶ a longitudinal data set that provides detailed information on the location of units leased under the HCVP, the rents paid, and the characteristics of the family living in each unit. This is not a sample, but instead is based on the administrative data submitted to HUD by all of the public housing authorities that administer the voucher program on all participating households. Under carefully controlled arrangements that protect the privacy of voucher users, HUD makes these data available to researchers. Because this data set includes many households and units, it would be particularly valuable for studies that focus on particular metropolitan areas.

⁶The MTCS has recently been renamed as a component of the Public Housing Information Center (PIC), the overall administrative data system for programs administered by HUD's Office of Public and Indian Housing. The longitudinal data set based on the MTCS and the PIC is maintained by HUD's Office of Policy Development and Research.

Conclusion

By focusing on one goal of the HCVP, enabling minorities to move away from poor and racially concentrated areas, Basolo and Nguyen have highlighted the need to better understand the type of locations in which that is a compelling objective. It is especially important to understand the patterns of income and racial separation, and of the use of vouchers, in mixed minority places such as Santa Ana. Program administrators in all parts of the country should monitor the locations of voucher units and encourage minority participants to choose housing outside economically and racially isolated areas.

At the same time, researchers and policy makers should not lose sight of the other goals of the program, including relieving extreme rent burdens and other sources of housing instability, such as crowding or doubling-up, and providing opportunities for homeless families and individuals to move to stable, permanent housing.

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