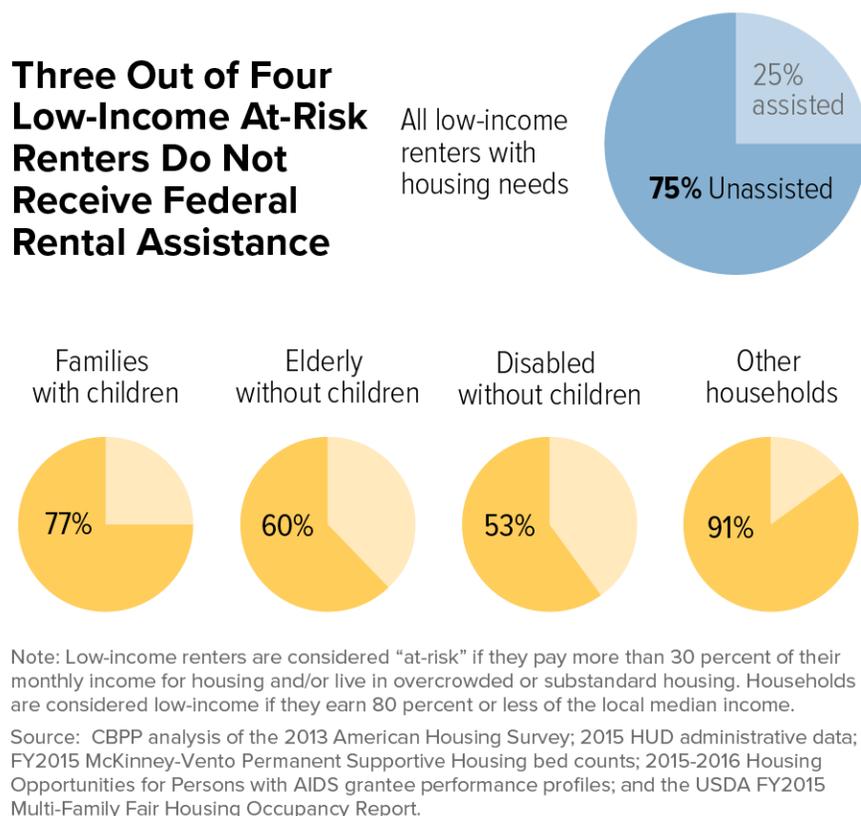


## Rental Aid for Low-Income Households

Federal rental assistance helps more than 5 million low-income households afford modest homes. But 3 in 4 eligible households receive no federal rental assistance due to funding limitations.<sup>27</sup> (See Figure 7.) Moreover, the cost of simply continuing the rental aid that families now receive rises every year, due mostly to rising rental costs in the private market. (For instance, the cost of renewing rental assistance administered by the Department of Housing and Urban Development grew by roughly \$1.5 billion from 2016 to 2017.) To prevent cuts in rental assistance — and to make further progress in reducing homelessness and addressing other urgent housing problems — additional funds for rental assistance are needed in fiscal years 2018 and beyond.

FIGURE 7



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Nearly 90 percent of people with federal rental assistance are seniors, people with disabilities, or working families with children.<sup>28</sup> This vital aid goes to those who need it most: three-quarters of

<sup>27</sup> Center on Budget and Policy Priorities, “Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance,” <http://www.cbpp.org/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance>.

<sup>28</sup> Center on Budget and Policy Priorities, “Policy Basics: Federal Rental Assistance,” <http://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance>.

assisted households have extremely low incomes, meaning incomes at or below the poverty line or 30 percent of the local median, whichever is higher. Indeed, more than half of the nation's rental housing that is affordable for extremely low-income households is affordable only because of federal rental assistance.

By limiting housing costs, rental assistance frees up families' resources to spend on food, medicine, or other basic needs, as well as work-related expenses such as child care and transportation. Research also finds that rental assistance sharply reduces homelessness and other types of housing instability that can undermine children's health, academic progress, and chances of long-term success.<sup>29</sup> For example, policymakers' expansion of the Housing Choice Voucher program — the largest federal rental aid program — has contributed to a 47 percent reduction in veterans' homelessness since 2010.<sup>30</sup>

Rental aid supports families in other ways, too. It helps frail seniors and people with disabilities live independently in communities they choose, rather than in expensive nursing facilities.<sup>31</sup> Housing vouchers, by allowing families to rent a unit of their choice in the private market, enable families with children to move to safer neighborhoods with less poverty and higher-quality schools. Children whose families move to low-poverty neighborhoods when they are young are far more likely to attend college and less likely to become single parents, and they earn significantly more as adults, research shows.<sup>32</sup> (See Figure 8.)

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<sup>29</sup> Will Fischer, "Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children," Center on Budget and Policy Priorities, October 7, 2015, <http://www.cbpp.org/research/housing/research-shows-housing-vouchers-reduce-hardship-and-provide-platform-for-long-term>.

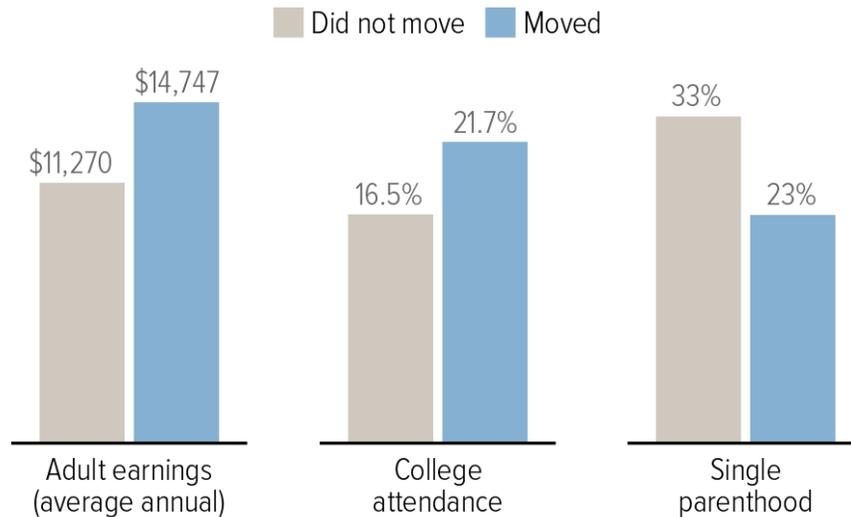
<sup>30</sup> Ehren Dohler, "Veterans' Homelessness Cut in Half Since 2010," Center on Budget and Policy Priorities, November 8, 2016, <http://www.cbpp.org/blog/veterans-homelessness-cut-in-half-since-2010>.

<sup>31</sup> Ehren Dohler *et al.*, "Supportive Housing Helps Vulnerable People Live and Thrive in the Community," Center on Budget and Policy Priorities, May 31, 2016, <http://www.cbpp.org/research/housing/supportive-housing-helps-vulnerable-people-live-and-thrive-in-the-community>.

<sup>32</sup> Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," *American Economic Review* 2016, 106(4): 855–902.

FIGURE 8

## Moving with Voucher to Lower-Poverty Neighborhoods While Young Improves Key Adult Outcomes



Note: Outcomes are for children up to age 13 at the time of random assignment under the Moving to Opportunity demonstration. Experimental group families received vouchers that could only be used to relocate to neighborhoods where fewer than 10 percent of residents were poor; results are for children whose families used their voucher.

Source: Chetty et al., “The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment,” National Bureau of Economic Research, Working Paper #21156, May 2015.

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While rental assistance supports several million families, the number of families struggling to pay rent has grown sharply over the past decade. Since 2001, the number of renter households with “worst-case housing needs” — defined as unassisted households with very low incomes that either live in severely substandard housing or pay more than half their income for housing — has risen 63 percent, to 3.2 million.<sup>33</sup> Moreover, while policymakers have made important progress in reducing homelessness among veterans and certain other groups, it remains a large and persistent problem. For instance, 1.3 million school-age children are homeless or living doubled up with other families, the latest Department of Education data show.<sup>34</sup>

<sup>33</sup> Department of Housing and Urban Development, “Preview of 2015 Worst Case Housing Needs,” January 2017, <https://www.huduser.gov/portal/publications/Preview-2015-Worst-Case-Housing-Needs.html>.

<sup>34</sup> ED Data Express, “Total Number of Homeless Students Enrolled in LEAs with or without McKinney-Vento Subgrants — Total: 2014-15,” retrieved from <https://eddataexpress.ed.gov/data-elements.cfm>.