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Chart Book: Rental Assistance Reduces Hardship, Promotes Children's Long-Term Success

By Will Fischer

Over 5 million low-income households receive help affording modest homes through [federal rental assistance](#), primarily in the form of [Housing Choice Vouchers](#), [Section 8 Project-based Rental Assistance](#), or [Public Housing](#). Rental assistance sharply reduces homelessness, housing instability, poverty, and other hardships. A growing body of research also finds that rental assistance can improve families' health, as well as children's chances of long-term success, particularly if it enables families to live in safe, low-poverty neighborhoods with good schools.

But even as rising numbers of low-income families struggle to pay rent and make ends meet, only [one in four](#) eligible households receives federal rental assistance due to funding limitations. Helping many more low-income families to pay the rent should be a major goal of anti-poverty policy.

Section 1: Helping People Who Need It Most

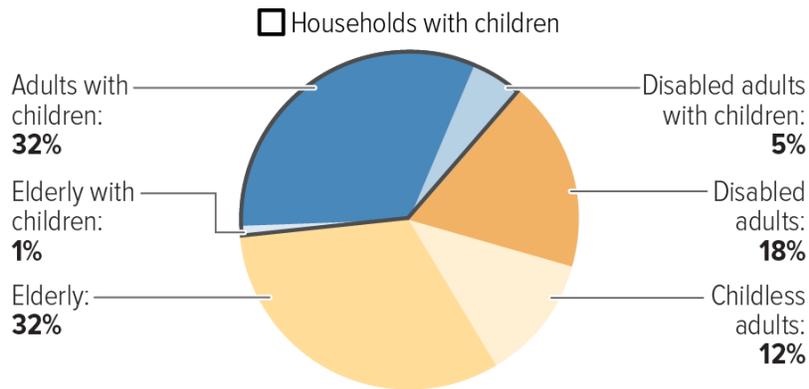
Section 2: Reducing Homelessness, Housing Instability, and Poverty

Section 3: Providing a Platform for Improved Health and Well-Being

Section 1: Helping People Who Need It Most

Federal rules ensure that [rental assistance](#) goes to people who need it most, without discouraging work. Assisted households' incomes average about \$13,500, and three-quarters have extremely low incomes (that is, below the poverty line or 30 percent of the area median, whichever is higher). More than half of assisted households are elderly or people with disabilities; most of the rest are families with children.

Who Is Helped by Federal Rental Assistance?



Note: Childless adults are households headed by a person under 62 without disabilities, and without children in the home. Disabled adults are younger than 62. Elderly households are headed by a person age 62 or older.

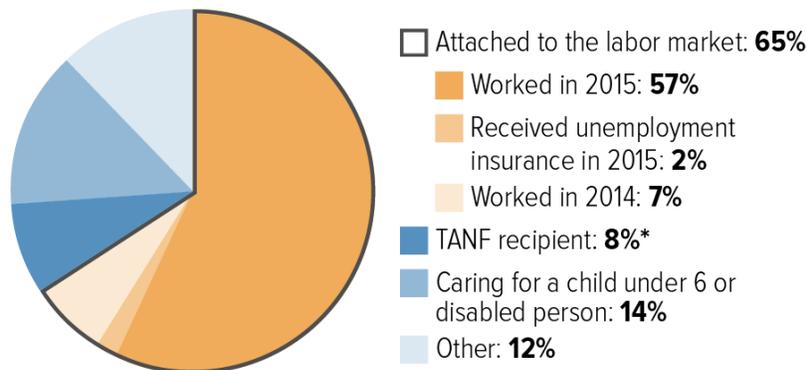
Source: CBPP tabulation of 2015 Housing and Urban Development administrative data

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Most assisted families that can work, do work. Of the households that are neither elderly nor disabled, nearly three-fourths (73 percent) are working, recently worked, or are likely subject to work requirements under another program. About half of the remaining households include young children or people with disabilities to care for.

Large Majority of Households With Federal Rental Assistance That Can Work, Do Work

Among non-disabled, non-elderly households assisted in 2015



*Most recipients of Temporary Assistance for Needy Families are subject to work requirements

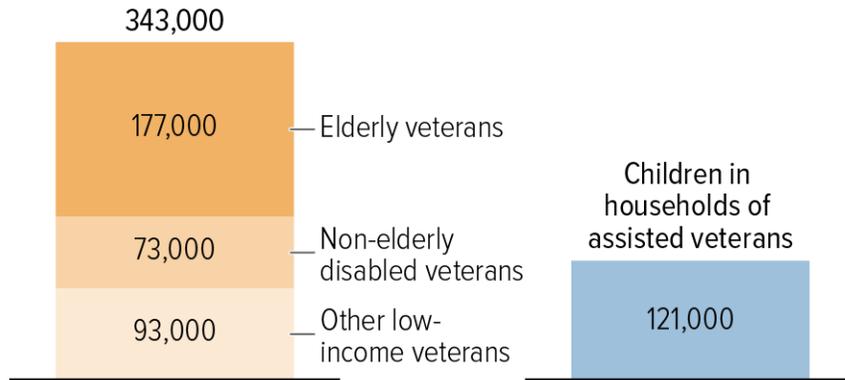
Source: CBPP analysis of 2014 and 2015 Housing and Urban Development administrative data

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Federal rental assistance also helps more than 340,000 veterans and their families.

Rental Assistance Helps Over 340,000 Veteran Families

Number with rental assistance in March 2014



Source: Census Bureau Current Population Survey

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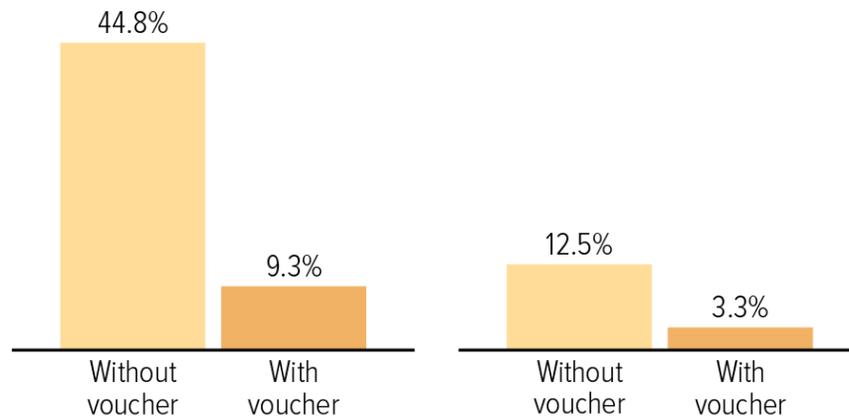
Section 2: Reducing Homelessness, Housing Instability, and Poverty

A large body of [research](#) finds that rental assistance sharply reduces homelessness, housing instability, and overcrowding. For example, a rigorous study found that among families with children, vouchers reduced housing instability (living doubled up with family or friends or homeless) by four-fifths and reduced homelessness (living in a homeless shelter or on the street) by three-quarters.

Housing Choice Vouchers Sharply Reduced Homelessness and Housing Instability Among Families With Children

Vouchers reduced homelessness and housing instability by four-fifths...

...and reduced homelessness by three-quarters



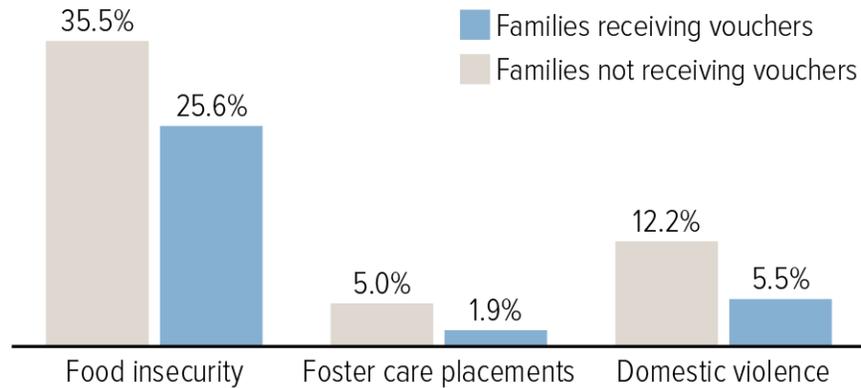
Note: Chart compares housing status of low-income families in six U.S. cities who were randomly selected to receive a voucher and used it for at least part of the previous year to families in a control group who did not use vouchers. Families experiencing "housing instability" were living doubled-up with friends or relatives at some point during the prior year.

Source: Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation," Housing Policy Debate, 2008.

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Rental assistance helps homeless families in other ways, too. Children in previously homeless families receiving vouchers change schools less frequently and are much less likely to be placed into foster care than other homeless families, one study found; their families also experience significantly less food insecurity and domestic violence.

Housing Vouchers Benefit Homeless Families with Children in Several Ways



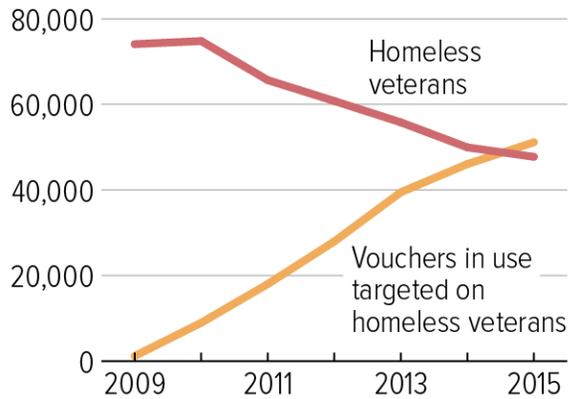
Note: "Food insecurity" = family had difficulty affording adequate food, according to Agriculture Department criteria. "Foster care placement" = family had at least one child placed into foster care in past six months.

Source: Gubits *et al.*, "Family Options Study," Department of Housing and Urban Development

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Vouchers have also proven effective in reducing homelessness among veterans. From 2008 to 2016, policymakers funded more than 80,000 new HUD-Veterans Affairs Supportive Housing (VASH) vouchers for chronically homeless veterans with disabilities. These vouchers, which are combined with case management and clinical services from VA medical centers, appear to have played a central role in the 35 percent reduction in veterans' homelessness between 2010 and 2015.

Homelessness Among Veterans Fell as Targeted Voucher Program Expanded



Note: Voucher figures are based on monthly data from January of each year.

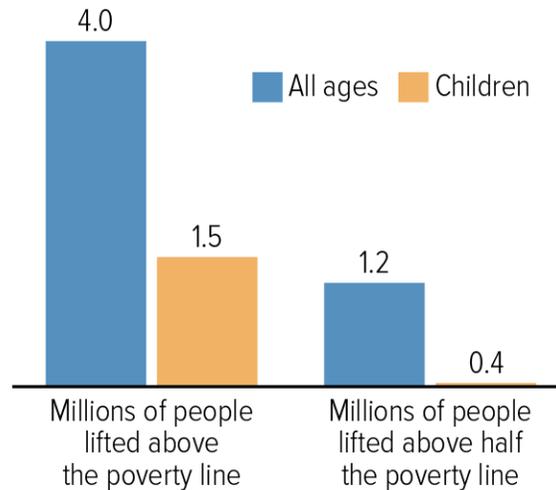
Source: HUD Homelessness Point-in-Time Counts and HUD Voucher Management System

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Federal rental assistance reduces poverty, lifting [4 million people \(including 1.5 million children\)](#) out of poverty — more than one-third of the people in assisted households. (These figures are based on the federal government’s Supplemental Poverty Measure, corrected for households’ underreporting of benefits.) Rental assistance thus plays a critical role in the federal safety net, which [reduces poverty](#) by more than half overall.

Rental assistance also lifts 1.2 million people, including some 400,000 children, out of “[deep poverty](#),” where household income is less than 50 percent of the poverty line.

Housing Assistance Programs Lifted Millions Out of Poverty and "Deep Poverty" in 2012



Note: Figures show the number of people lifted above the poverty line using the federal government's Supplemental Poverty Measure (SPM) with corrections for underreporting.
Source: CBPP analysis of 2012 Census Bureau data from the March Current Population Survey, SPM public use file; corrections for underreported benefits from HHS/Urban Institute TRIM model.

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Research consistently shows that poverty [harms](#) children, including by damaging brain development, and that children in poor families receiving income support (consisting of rental or other assistance) do [better in school and earn more as adults](#).

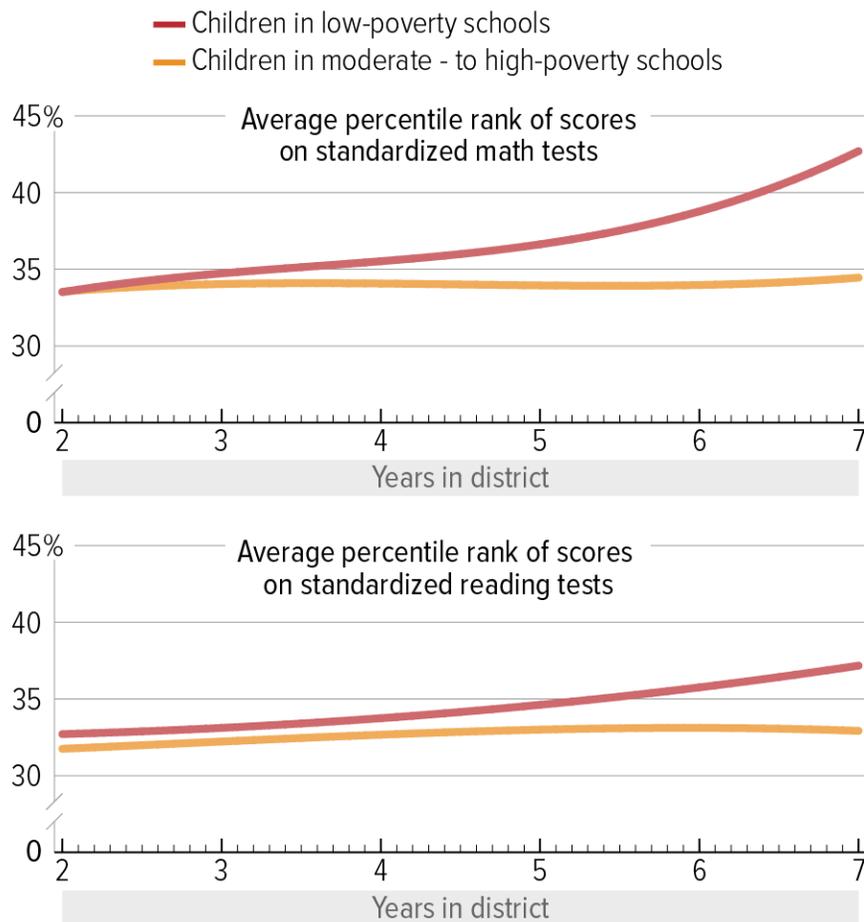
By reducing families' rental costs, rental assistance allows them to devote more of their limited resources to other basic needs. Families paying large shares of their income for rent [spend less](#) on food, health care, and transportation than those with affordable rents. There is also evidence that children in low-income households that live in affordable housing [score better](#) on cognitive development tests than those in households with unaffordable rents. Researchers [suggest](#) that that is partly because parents with affordable housing can invest more in activities and materials that support their children's development.

Section 3: Providing a Platform for Improved Health and Well-Being

Rental assistance — particularly vouchers, which enable families to rent a unit of their choice in the private market — can [enable poor families to live in safer neighborhoods with less poverty](#) and better schools. A growing body of research finds that such neighborhoods can benefit low-income families in many ways.

Students living in public housing in low-poverty neighborhoods and attending low-poverty schools made large gains in reading and math scores compared with similar students attending moderate- to high-poverty schools, one [study](#) found. After seven years, their test scores had risen by 8 percentage points in math and 4 percentage points in reading. Those gains closed half of the achievement gap between those students and the district’s non-poor students in math and one-third of the gap in reading.

Low-Income Children Attending Low-Poverty Schools Made Strong Gains in Math and Reading, Compared With Children in Moderate- to High-Poverty Schools



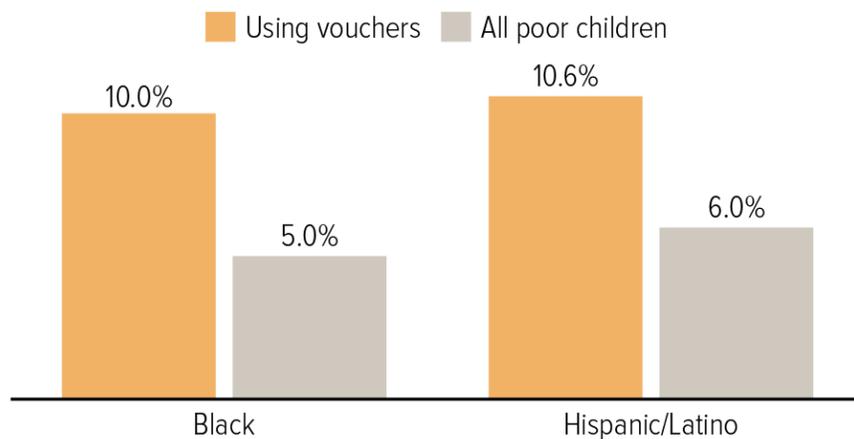
Note: The children studied lived in public housing in Montgomery County, Maryland. On average, non-poor students in the district scored at the 50th percentile. "Low-poverty" schools are those where fewer than 20 percent of students are eligible for free or reduced-price meals (FARMs). In "moderate- to high-poverty" schools, 20 to 85 percent of students are eligible for FARMs. Test score percentiles are in relation to all children in county public schools.

Source: Heather Schwartz, "Housing Policy Is School Policy," in Richard D. Kahlenberg, ed., *The Future of School Integration* (Century Foundation, 2012).

While vouchers only modestly improve access to low-poverty neighborhoods for households overall, they have substantial impacts among minority households with children. Vouchers [double poor African American children's chances, and nearly double poor Hispanic children's chances](#), of living in low-poverty neighborhoods, compared to similarly poor children whose families do not have vouchers. [Improved policies](#) would enable more children in families using vouchers to grow up in better neighborhoods.

Vouchers Help Poor Minority Children Live in Better Neighborhoods

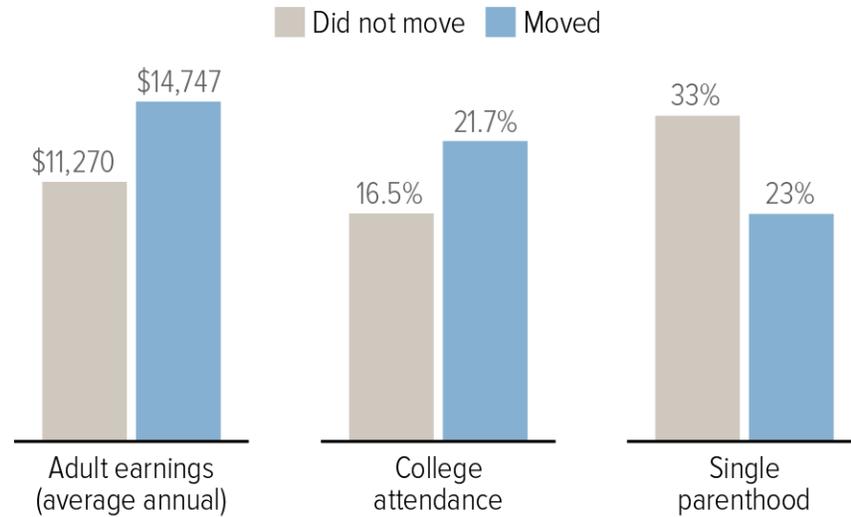
Share of poor children living in a low-poverty neighborhood



Note: "Low-poverty" neighborhoods are defined as Census tracts where less than 10% of the population is below the federal poverty line.

Source: CBPP analysis of 2014 Department of Housing and Urban Development administrative data and the Census Bureau's 2010-2014 American Community Survey.

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



Note: Outcomes are for children up to age 13 at the time of random assignment under the Moving to Opportunity (MTO) demonstration. "Moved" refers to families that used MTO vouchers to relocate to neighborhoods where fewer than 10 percent of residents were poor. "Did not move" refers to control group families that did not receive MTO vouchers.

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.

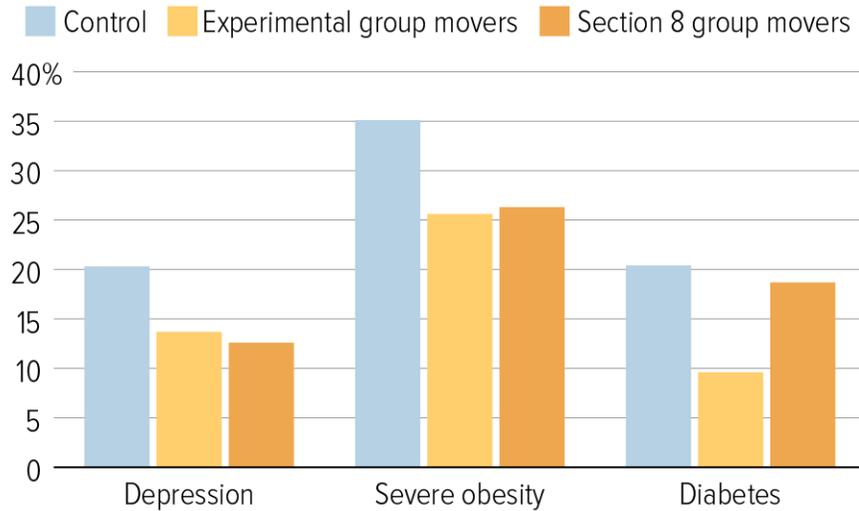
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Children whose families use vouchers to move to low-poverty neighborhoods when they are young are far more likely to attend college and less likely to become single parents, according to recent [groundbreaking research](#); they also earn significantly more as adults.

Also, adults in low-income families that use vouchers to move to less poor neighborhoods are less likely to suffer from [depression, psychological distress, extreme obesity, and diabetes](#) than similar adults in families that did not receive vouchers.

Moving to a Lower-Poverty Neighborhood Improved Adult Health

Incidence of depression, extreme obesity, and diabetes among adults participating in Moving to Opportunity



Note: “Experimental group” families received voucher on condition they live in neighborhood where less than 10% of residents were poor. “Section 8 group” families received voucher without restrictions. “Control” group are low-income families not assisted under Moving to Opportunity. Data for experimental and Section 8 groups are for families using vouchers to move as part of MTO. Data for obesity and diabetes are from tests administered 10-15 years after program entry; “severe obesity” means measured body-mass index at or above 35. Data for depression are self-reported in response to diagnostic questions about symptoms at any time in life. All differences shown between control and other groups are statistically significant except for difference in incidence of diabetes between control and Section 8 groups.

Source: Lisa Sanbonmatsu et al., “Moving to Opportunity for fair housing demonstration program: final impacts evaluation,” National Bureau of Economic Research, 2011.

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Helping all low-income families to thrive in stable, affordable homes in safe communities should be a major goal of federal, state, and local policy. There are many ways to achieve this goal, including significantly expanding the Housing Choice Voucher program — as the [Bipartisan Policy Commission](#) and [Children’s Defense Fund](#) propose — and creating a new [renters’ tax credit](#). Policymakers could offset the cost of achieving this goal by [rebalancing federal housing policy](#) to direct more scarce resources to the families that most need help. Finally, policymakers should [revise voucher policies](#) to make it easier for families with vouchers to live in safe, low-poverty neighborhoods with good schools.