

# Escaping Poverty

## Can Housing Vouchers Help?

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**This election season, the Democratic presidential candidates have renewed our focus on poverty and social inequality in America, giving visibility to an issue that has been ignored by the Left in recent years. John Edwards and Barack Obama frequently cite the over thirty-six million families**

who live below the poverty threshold, which Edwards calls a “national shame.” While all the Democratic candidates speak to the issues of disadvantaged families, they do so differently. Obama and Hillary Clinton focus on community development, the minimum wage, health care, and enforcing work responsibility standards. Edwards takes a bolder stance and emphasizes the reduction of racial and economic segregation as a solution to end poverty. Specifically, he wants to do away with public housing projects and replace them with one million housing vouchers to give poor families a choice about where to live. In May, Edwards said, “If we truly believe that we are all equal, then we should live together, too.” It makes sense that helping poor minority families leave dangerous neighborhoods would bring about immediate improvements in their lives. Urban sociologists have long described the horrors of public housing, drug-related violence, and the high levels of racial isolation and segregation common in many American cities. Dozens of studies have also shown that growing up in poor neighborhoods predicts a range of diminished social and economic outcomes for families and children.

In July, Edwards spoke of poor families “cut off from opportunity—far from good jobs and schools, far from many examples of success, far from the bright light of America.” Essentially, the logic is that if poor and minority families had access to the same schools, communities, and labor markets as middle-class families, they could start the path to middle-class success. Unfortunately, it’s not so easy for these families to obtain access to such opportunity-rich communities. When black families move, they usually move between poor neighborhoods, not out of them. This is due in part to housing discrimination and lending practices that channel black families into undesirable neighborhoods. So Edwards has a point: It will take government intervention to help poor minority families find better places to live. However, while his bold deconcentration stance has appeal, we must consider whether a voucher mobility strategy is enough on its own to alleviate the problems of the urban poor, or whether it’s one

essential part of a larger set of interventions. Will helping poor families escape the ghetto break the cycle of poverty?

In some ways this thought experiment has already been tested—poor families have relocated to different neighborhoods through a number of unique housing voucher programs. The first major residential mobility program, the Gautreaux program, came as a result of a 1976 Supreme Court ruling in a housing desegregation lawsuit filed on behalf of public housing residents against the Chicago Housing Authority (CHA) and the U.S. Department of Housing and Urban Development (HUD). Between 1976 and 1998, the court remedy provided vouchers for over 7,000 families in the Chicago metro area to move to nonsegregated communities. About half moved to mostly white, middle- and upper-income suburbs, and half moved to nonpublic housing city neighborhoods. However, unlike the Section 8 program, families did not choose the new housing units—they were offered specific apartments in new neighborhoods by housing counselors (who were working with landlords) on a first-come, first-served basis, similar to a random draw lottery. Suburbs with a population that was more than 30 percent black were excluded by the consent decree.

Early results from the Gautreaux program showed that low-income black children moving to middle-class white suburbs had better educational and employment outcomes than their counterparts relocating to other city areas—they were more likely to complete high school, attend college, and attend four-year colleges. Suburban youth who didn't attend college were more likely to get jobs with better pay and benefits. Mothers who moved to the suburbs also benefited from higher levels of employment postmove. This early research was powerful, showing how neighborhoods could be policy levers. These findings suggest that the life chances of low-income families depend not just on *who* they are but *where* they live. In recent work, we have examined the long-term outcomes for the Gautreaux families to see if the earlier results held up years later. We found that the program was very successful in helping former public housing families relocate to safer, more integrated neighborhoods and stay there. These families came from very poor neighborhoods originally, with census-tract poverty rates averaging 40 to 60 percent, or three to five times the national poverty rate. After their move, families moving to suburbs were living in neighborhoods that were 5 percent poor. As of the late 1990s, fifteen to twenty years later, mothers continued to live in neighborhoods with lower poverty rates.

The Gautreaux program also achieved striking success in moving low-income black families into more racially integrated neighborhoods. For example, 83 percent of their neighbors in their origin communities were black. The program placed its families moving to suburbs in communities that reduced this

percentage to less than 10 percent black. While the later moves of Gautreaux suburb families were to neighborhoods that contained considerably more blacks (33 percent on average), these levels were less than half of what they had been in the origin neighborhoods, and more than half of the families were still in mostly white neighborhoods. Families who moved to the most integrated neighborhoods were also more likely to live in similar areas fifteen years later. The children of Gautreaux families who had relocated to less segregated neighborhoods were also more likely to reside in such neighborhoods when they became adults.

Early research on Gautreaux had also shown large relationships between placement neighborhoods and gains in adult employment. For example, 26 percent of families moving to neighborhoods with the highest proportions of educated residents received welfare in 1989 (about six years after relocation for most families) compared to 39 percent of families who moved to neighborhoods with the lowest proportion of educated individuals. But did these improvements also last? The short answer is yes. Using state and federal data on employment and welfare

receipt up to twenty years later, we found that women placed in more affluent, less-segregated neighborhoods spent less time on welfare and more time employed than women placed in areas with mostly black residents, more crime, and higher unemployment rates. Over fifteen years later, women placed in areas with higher economic resources and less segregation earned between \$2,400 and \$2,900 more per year than women placed in any other kind of neighborhood.

While the results from the Gautreaux program had a profound effect on social scientists and policy makers, it wasn't a perfect experiment. All families moved somewhere, so there was no way to compare them to similar kinds of families who did not relocate to better neighborhoods. As a result, the Moving to Opportunity (MTO) program was designed as a rigorous social experiment, in part to test the promise of the Gautreaux program. Beginning in 1994, MTO allowed public housing residents in five cities (New York, Boston, Baltimore, Chicago, and Los Angeles) to apply for a chance to receive a housing voucher. Families were assigned at random to one of three groups. An experimental group received a Section 8 voucher that would allow them to rent an apartment in the private market, but they could only use this voucher in census tracts with 1990 poverty rates of less than 10 percent (unlike Gautreaux, there were no racial restrictions on the destination neighborhoods). This group also received housing counseling to assist them in relocating. Another group received a Section 8 voucher with no geographical restrictions. Finally, the control group received no new housing assistance but could continue to live in public housing or apply for other housing assistance.

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Like Gautreaux, families with MTO vouchers relocated to neighborhoods with much lower poverty rates than their public housing neighborhoods. These new neighborhoods were 11 percent poor on average, compared to their original communities, which were usually 40 percent poor or more. At the time of the four- to seven-year follow-up study, MTO families who had moved with low-poverty vouchers were still in neighborhoods that were significantly less poor than the control group but more disadvantaged than their first MTO community. MTO set no race-based limits on placement neighborhoods, and MTO families moving in conjunction with the program both began and ended up in neighborhoods with high minority concentrations.

When families first signed up for MTO, over three-quarters reported that the most important reason for wanting to move was to get away from inner-city gangs, drugs, and violence. Four to seven years later, movers reported higher levels of neighborhood and housing quality than those families who did not move with the program. Fewer experimental movers were victimized and they felt safer at night—in part because they reported greater success getting police to respond to calls in their neighborhood and they saw less drug-related loitering outside. These improvements in safety may have also led to the significant reduction in psychological distress observed among experimental mothers who relocated.

Teenage girls who moved with MTO also benefited from the relief of escaping high-poverty neighborhoods. Not only did they report significantly lower levels of depression and anxiety, they were also less likely to use drugs, drink, and smoke. Unfortunately, the young men who relocated to low-poverty areas were actually *more* likely to engage in risky behavior and more likely to be arrested for property crimes. Interviews suggest that girls and boys socialize in different ways—boys were more likely to hang out with their friends on the corner or on a neighborhood basketball court, and girls were more likely to visit friends inside their homes or to go downtown to a mall. Boys may have been at higher risk of delinquency because these routines do fit in as well in low-poverty neighborhoods, which may explain why they did not benefit as much as girls from peers in their new neighborhoods.

In terms of what many policy makers were hoping for—increases in economic self-sufficiency for parents and better schooling outcomes for children—the MTO results were not as encouraging. MTO mothers were no more likely to be employed, earned no more, and received welfare no less often than mothers assigned to the control group. However, it should be stressed that MTO occurred in an unusual historical era, a period in which welfare reform and a very strong labor market combined to generate an amazing 100 percent gain in employment in the control group. That the MTO movers failed

to demonstrate better employment outcomes may not generalize to different times. In terms of educational outcomes, early MTO research had shown that moving to less poor neighborhoods helped children attend better schools and increased test scores and school engagement (especially in Baltimore). However, four to seven years after program moves, virtually no educational benefits were found for these youth. This may be partially because almost 70 percent of the MTO children were attending schools in the same district they attended when they signed up for the program. Some children did attend higher-performing schools in the suburbs as a result of their move—but average differences were small. For example, while 88 percent of Gautreaux suburban movers attended schools with above-average achievement on national exams, less than 10 percent of MTO experimental group children attended such schools. While it seems surprising that more movers didn't send their children to better schools, few families had experience with better educational environments, and families lacked the information that middle-class parents use to make choices about their children's education.

Overall, the Gautreaux and MTO programs both succeeded admirably in enabling families to achieve their stated goal of escaping violent, gang-ridden neighborhoods and finding better quality housing; these escapes were permanent for many families in the case of Gautreaux. The significance of the improved safety and mental health should not be ignored. In fact, the reductions in MTO mother's psychological distress are comparable to what is achieved through current antidepressant drug treatments. However, in terms of long-

term gains in economic self-sufficiency, residential location and children's academic achievement, findings from the two programs are mixed.

How do we reconcile these differences?

Despite some similarities, the Gautreaux program differed from MTO in important ways. First, MTO's criterion for a placement neighborhood was based on the poverty rate, while Gautreaux moved families to mostly white suburban neighborhoods (which were more affluent than MTO destinations). As a result, MTO families did not move as far away from their original neighborhoods as Gautreaux's families did.

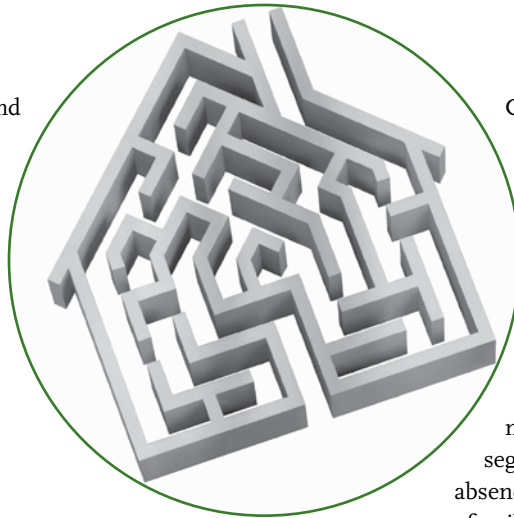
Second, the way participants secured housing units differed between the two programs, which may have led to differences in long-term neighborhood residence. In Gautreaux, real estate staff worked with landlords to locate units for participants and helped identify housing that participants could not find on their own; this may have facilitated permanent relocations through overcoming landlord discrimination. In contrast, although they received housing counseling, MTO experimental families found units on their own. While only 10 percent of Gautreaux suburban families moved less than ten miles, 84 percent of the MTO treatment group did so. Such

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short-distance moves may have reduced changes in employment opportunities and school quality, and may have reduced the possibility of changes in social outcomes through new networks or by permitting interaction with prior neighbors and family. Therefore, the mix of housing counselor assistance and placement in high-resource communities seemed to yield the greatest long-term benefits for families, and indicates the policy significance of both components for mobility programs.

A third important difference is methodological. In Gautreaux, we can only compare families that moved to a variety of *different* neighborhoods. Therefore, Gautreaux can inform us about what happens when families move from uniformly poor and highly segregated neighborhoods into communities not chosen by the families themselves, neighborhoods that show wide variations in degree of racial integration, poverty, and safety. MTO, on the other hand, tracks the fortunes of a randomly assigned control group of families who expressed interest in the program but, owing to the luck of the draw, were not offered access to it. Thus, MTO compares the effects of both being offered a low-poverty voucher and moving to lower-poverty neighborhoods with not being offered assistance at all. This design is better for inferring causal effects of reductions in neighborhood poverty, but might tell us less about the effects of moving to neighborhoods that vary by race and class and (it turns out) include more affluent neighbors and high-achieving schools.

In the future, we will have the opportunity to better understand the implications of mobility programs. Researchers are planning a ten-year follow up to the MTO evaluation, to see whether some of the early improvements experienced by families have more substantial long-term benefits. In Baltimore, families are currently moving as part of the ongoing Thompson program—a desegregation remedy very similar to the one ordered in Gautreaux. Stefanie DeLuca is following over 1,000 families who have moved to low-poverty, nonsegregated neighborhoods around the Baltimore metropolitan area. Housing counselors are working with families to prepare them for moves and are also organizing monthly bus trips to outlying counties so that families can explore new neighborhoods and meet landlords. Unlike other mobility programs, Thompson involves multipartner efforts to help directly connect these families to resources in their new communities. For example, one local foundation provides cars with low financing to families moving to the suburbs and another foundation has been supporting ways to connect families to better health care, employment training, and high-quality schools after their move.



How do these current results from Gautreaux and MTO inform antipoverty policy? First, the initial gains in neighborhood quality that many of the Gautreaux families achieved with vouchers and housing assistance persisted for at least one to two decades. This is extremely encouraging and suggests that it is possible for low-income black families to make permanent escapes from neighborhoods with concentrated racial segregation, crime, and poverty. In the absence of such a program, it is rare to see poor families maintaining long-term residence in nonpoor, nonsegregated communities.

Second, housing mobility vouchers *by themselves* do not guarantee moves to better neighborhoods or large gains in economic and social success for families and children. Therefore, housing mobility may be a necessary but insufficient lever for improving the lives of poor families. For parents to acquire better jobs and transition off welfare, we may need to couple housing mobility with additional services and supports. Recent research showed that many experimental work support programs run in the 1990s boosted work, family income, and children's achievement. Some of these programs supplied poor parents with earnings supplements and child care assistance that helped them balance employment and family needs. To help promote children's educational and behavioral achievement, mobility counselors should be trained to inform parents about the benefits of schooling opportunities in their new communities, since low-income parents are not always aware of these choices. When transfers do occur, counselors can make sure that receiving schools have information about the child, so that little instruction time is lost. Last, postmove assistance to help tenants and landlords work out problems might ensure that families remain in opportunity-rich communities, and might encourage landlords to participate in the program.

This nation has a strong commitment to improving education and employment outcomes of its citizens; providing opportunities to live in safe communities where families can prosper should also be part of that commitment. Evidence from housing voucher programs suggests that well-designed residential mobility programs can be important instruments for helping families improve the quality of their lives. ■

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