

# Moving to Opportunity for Fair Housing Demonstration Program

Final Impacts Evaluation  
**SUMMARY**



# SUMMARY

## INTRODUCTION

The *Moving to Opportunity for Fair Housing Demonstration Program* (MTO), sponsored by the U.S. Department of Housing and Urban Development (HUD), is one of the most significant research efforts to study the effect of neighborhood conditions on the lives of very low-income families. Through an experimental research design, the demonstration program examined the effect of neighborhood conditions on a variety of outcomes thought to influence the life chances of adults and children, including mobility, housing, neighborhoods, and social networks; mental and physical health; economic self-sufficiency; risky and criminal behavior; and educational achievement. The researchers followed more than 4,600 very low-income families in five U.S. cities over a 10- to 15-year period to examine the short- and long-term effects of moving to low-poverty neighborhoods.

The final report, *Moving to Opportunity for Fair Housing Demonstration Program: Final Impacts Evaluation* indicates the program provided expanded access to neighborhoods where poverty was lower and housing conditions were better. As a result, families that moved felt safer in their new environment and had higher levels of neighborhood satisfaction. Female adults were also found to have some better mental and physical health outcomes compared with those who were not offered expanded neighborhood access. No discernable benefit to economic self-sufficiency, employment outcomes, and risky and criminal behavior for adults and children was observed as a result of moving. Similarly, moving had few positive effects on educational achievement for youth.

The results of MTO are important to our understanding of neighborhood conditions and their influence on the life chances of adults and children. This summary addresses the findings of MTO in more detail and provides an overview of the potential implications for HUD's existing programs.

## POLICY CONTEXT AND RESEARCH DESIGN

Among government policymakers, researchers, social service providers, and others, there is significant interest in the role of neighborhood conditions in shaping the lives of society's most economically disadvantaged individuals. MTO emerged after the Gautreaux Program in Chicago—a residential mobility program that provided access to less racially segregated neighborhoods for public housing residents—had shown initial success in improving education and economic outcomes for adults and children. Although Gautreaux suggested a correlation between the positive benefits of moving from high-poverty to low-poverty neighborhoods for residents, the program was not implemented as a true randomized controlled trial. As a result, some question remains about whether the observed correlations resulted from improved neighborhood conditions specifically rather than unmeasured individual attributes or other contributing factors that also may have differed across families.

MTO sought to better understand this causal relationship, given its great importance for a range of public policy questions. The primary difference between MTO and the Gautreaux Program, aside from scale, was the incorporation of an experimental research design to isolate neighborhood conditions from other variables that could possibly influence individual outcomes.

HUD worked with public housing agencies in five U.S. cities to recruit approximately 4,600 very low-income families living in distressed public housing to enroll in MTO from 1994 through 1998.<sup>1</sup> Most participating families were from minority populations and headed by single mothers; approximately 75 percent received welfare. Once enrolled in the program, the families

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1 Baltimore, Boston, Chicago, Los Angeles, and New York.

were randomly assigned to one of the following three groups:

1. An experimental group receiving Section 8 vouchers with a restriction requiring that relocation neighborhoods be within census tracts with 1990 poverty rates below 10 percent.
2. A Section 8 voucher group receiving vouchers with no restrictions placed on relocation neighborhoods.
3. A control group living in public or project-based housing that did not receive mobility vouchers.<sup>2</sup>

The families in the experimental voucher group that moved with an MTO voucher were required to remain in their low-poverty relocation neighborhood for one year but were then allowed to move to any neighborhood, including the neighborhood in which they lived before relocating. The study followed individual families for a period of approximately 10- to 15-years, enabling the researchers to examine the short- and long-term outcomes of all three groups through qualitative and quantitative methods. The comparison of the mobility groups (the experimental and Section 8 groups) and control group provided the framework for the analysis.

Families offered vouchers in the mobility groups were not required to move, and many, due to a variety of circumstances, did not use their vouchers to relocate. Around 47 percent of families in the experimental group relocated and approximately 63 percent of families in the Section 8 group used vouchers to move. Families that relocated tended to be younger; were, in general, more dissatisfied with the condition of their neighborhood; and had fewer children.

Because not all families offered vouchers relocated, the researchers calculated the results for the intention-to-treat (ITT) effect and the treatment-on-the-treated (TOT) effect for both mobility groups. The intention-to-treat effect contrasts the average outcomes of the control group with the average outcomes of the entire sample population of families that were offered

vouchers, including those that did not move. These results consider the effect of the treatment on the entire experimental group, or the entire Section 8 group. The treatment-on-the-treated effect measures the impact on those families that relocated, the “movers”, within each group. The intention-to-treat calculation helps us understand the overall effect of the part of the housing mobility policy under the most direct control of government—the ability to offer families vouchers—while the treatment-on-the-treated calculation measures how the policy affects movers specifically. For purposes of clearly understanding the effect of moving, the results reported in this summary are often for those families that moved in the experimental and Section 8 groups using an MTO housing voucher.

## MOBILITY, HOUSING, AND NEIGHBORHOODS

MTO depended on the ability of experimental group families to relocate to, and remain living in, low-poverty neighborhoods. The long-term evaluation of MTO shows the success of both mobility groups in accessing housing in lower poverty neighborhoods. Over the duration of the study, control group families resided in neighborhoods with average poverty rates close to 40 percent.<sup>3</sup> In comparison, both mobility groups lived in areas with lower poverty rates over the course of the study period. The experimental group and Section 8 group families that moved with their vouchers lived in neighborhoods with average poverty rates that were 18 and 11 percentage points lower than the control group, respectively.

The study found that access to lower poverty neighborhoods was beneficial to families in both mobility groups in terms of neighborhood satisfaction, perceived safety, and the condition of the built environment. Compared with the control group—of which 52 percent of families reported being very satisfied or satisfied with their neighborhood conditions—families in the experimental group and Section 8 group were more likely to report being very satisfied or satisfied

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2 Control group families were not required to remain living in public housing or project-based developments over the duration of the study. Many families in the control group moved as a result of other HUD programs—HOPE VI in particular, which removed some of the nation’s most distressed public housing.

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3 Average poverty rate is measured by the duration-weighted poverty rate; that is, the poverty rate for each of a family’s addresses weighted by the amount of time the family lived in a particular census tract.

with neighborhood conditions. Experimental group families were 9 percentage points more likely than the control group to report being very satisfied or satisfied with neighborhood conditions, while families in the Section 8 group were 8 percentage points more likely to report being very satisfied or satisfied with

neighborhood conditions compared with the control group. The increased level of neighborhood satisfaction coincides with lower levels of illicit neighborhood activities as perceived and reported by residents and less dissatisfaction with the condition of the built environment.

OUTCOME	CONTROL GROUP MEAN	EXPERIMENTAL GROUP IMPACTS		SECTION 8 GROUP IMPACTS	
		ITT	TOT	ITT	TOT
NEIGHBORHOOD SATISFACTION					
Very satisfied or satisfied with current neighborhood	.52	.09*	.19*	.08*	.13*
NEIGHBORHOOD CHARACTERISTICS					
Litter/trash/graffiti/abandoned buildings are a big or small problem in neighborhood	.72	-.07*	-.15*	-.08*	-.13*
NEIGHBORHOOD PROBLEMS					
People drinking in public is a big or small problem	.62	-.05*	-.11*	-.02	-.03
DRUGS					
Saw drugs being used/sold in neighborhood in the past 30 days	.31	-.06*	-.13*	-.06*	-.09*
OVERALL RATING OF CURRENT HOUSING CONDITION					
Rates current housing as excellent or good	.57	.05*	.11*	-.03	.05
Notes: Data collected from self-reported resident surveys *Results are statistically significant at the 95 percent confidence interval. TOT = the Treatment-on-the-Treated effect for experimental group and Section 8 group families that moved with a voucher. ITT = the Intention-to-Treat effect for experimental group and Section 8 group families.					

MTO was also successful in providing access to better housing conditions. Compared with the control group, MTO families in both mobility groups were more likely to have access to housing that was free of peeling paint and vermin infestations. Families in the experimental group that moved were 11 percentage points more likely to rate the condition of their housing as excellent or good compared with the control group.

## MENTAL AND PHYSICAL HEALTH

Researchers were interested in examining the role of neighborhood conditions on mental and physical health outcomes because previous studies suggested a correlation between living in impoverished neighborhoods and a variety of negative health outcomes. MTO supports these claims to some extent, because the results indicate a positive effect on several important physical and mental health outcomes for female adults and benefits to the mental health of female adolescents.

The effect on mental health outcomes for adults varied among the experimental and Section 8 groups.<sup>4</sup> Adults in the experimental group who moved experienced less psychological distress compared with adults in the control group. Major depression affected approximately 20 percent of adults in the control group at some point in their life, while adults in the Section 8 group were 5 percentage points less likely to have suffered major depression. The findings for adults in the experimental group for incidence of depression were only marginally statistically significant. Positive outcomes in mental health were also observed in female youth, but these findings were limited to those in the experimental group. Females in this group experienced fewer psychological distress and serious behavioral or emotional problems, and fewer panic attacks. The effects on serious mental illness and depression were only marginally statistically significant. Similar outcomes were not observed for male youth in either mobility group.

Moving to lower poverty neighborhoods also appears to benefit the physical health of adults in the experimental group. Adults in this group experienced lower rates

of severe obesity, diabetes, and self-reported physical limitations compared with adults in the control group. Observed benefits in health outcomes in the Section 8 group were limited to fewer instances of diabetes and lower severe obesity. No measurable benefits were reported regarding asthma, hypertension, or self-reported chronic pain in either mobility group. The physical health benefits experienced by adults in the mobility groups were not observed in any of the adolescent groups, male or female.

## ECONOMIC SELF-SUFFICIENCY

A better understanding of the relationship between neighborhood conditions and families' employment, earnings, and dependence on public assistance was a primary motivation for the MTO demonstration. At the beginning of the study, the annual household income for participant families was \$12,827 (2009 dollars) and one-fourth of adults were employed. The results of the study indicate that, although experimental and Section 8 groups moved to neighborhoods that had higher employment levels and stronger social norms for economic self-sufficiency compared with the neighborhoods of control group families, it had no significant effect on employment or earnings outcomes for adults or grown children. Similarly, researchers found no measurable differences in dependence on social assistance programs across the three groups.

These findings suggest that more could be done to expand employment opportunities for low-income individuals beyond housing choice. Policies that rely strictly on place as a determining factor in improving employment outcomes appear to do little to increase employment opportunities for people with low-income and schooling attainments such as those who signed up for MTO.

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<sup>4</sup> Nearly all adults in the study were female.

## RISKY AND CRIMINAL BEHAVIOR

Given the high social costs of criminal activity, MTO sought to better understand the effect of neighborhood conditions on risky and criminal behavior among adults and youth. The researchers examined outcomes related to criminal activity, including violent and nonviolent crime and the use of alcohol, drugs, and tobacco.

Although the outcomes for all three groups were mostly similar, females experienced slightly more positive effects than males as a result of moving. Among females between the ages of 13 and 20, those in the experimental group were 6 percentage points less likely to report having had an alcoholic drink compared with those in the control group. A similar positive outcome was not observed among experimental group males in the 13 to 20 age group, and males of this age cohort in both mobility groups were more likely to smoke compared with males in the control group. Encouragingly, some evidence suggests moving had a positive effect on crimes related to drug distribution for males, although the findings are not consistent across the two age groups that were studied or among the two mobility groups.

## EDUCATIONAL ACHIEVEMENT

The findings from previous studies led the researchers to believe that moving to low-poverty neighborhoods would lead to positive education outcomes for youth as a result of access to better quality schools and more direct engagement with peers and adults who place a high value on academic success. The results suggest, however, that moving to low-poverty neighborhoods only marginally improved access to higher performing schools and that only youth in the experimental group experienced this effect. Although those in the experimental group who moved attended schools in which achievement was, on average, higher than the schools the control group attended, youth in all three groups remained in schools below the 25th percentile on statewide achievement tests. Youth in both mobility groups were also more likely to attend schools with more students compared with youth in the control group.

The findings indicate youth in the experimental group did perceive some improvements in their school climate as a result of moving. Compared with youth in the control group, they were less likely to feel put down by teachers, and females in the experimental group were more likely to report that teachers take an interest in students.

Given the modest variation in school characteristics among the three groups, it is not surprising that the observed benefits in education outcomes in both mobility groups were few. Performance on achievement tests for math and reading was similar among all three groups, with no measurable positive effect for either the Section 8 or experimental group. Educational attainment, measured by high school completion and post-secondary school enrollment, did not vary significantly among the three groups.

## CONCLUSION

The findings of MTO highlight the complexity of issues facing the urban poor and the positive role housing mobility programs can play in expanding access to low-poverty neighborhoods. Although MTO did not improve outcomes across all indicators presented in the final report, it did provide expanded access to neighborhoods where residents felt safer, experienced higher levels of neighborhood satisfaction, and thought housing conditions were better. The benefit of living in these neighborhoods was observed in positive health outcomes for females relative to the control group.

Moving to a lower poverty neighborhood, however, did not lead to more positive employment outcomes for adults and grown children, nor did it improve education outcomes for youth. These findings indicate that barriers to employment (at least for this population) may be based more on skill development and education rather than proximity to employment opportunities, and that moving to neighborhoods with lower poverty rates does not necessarily equate to increased access to higher quality schools or improvements in educational achievement.

Although housing mobility is not a universal remedy for poverty, HUD has many programs in place—through housing voucher programs and place-based initiatives—that could be further used to build on the successful outcomes of MTO. The Housing Choice Voucher Program is one means by which to expand housing opportunities for low-income families in safer neighborhoods. Place-based strategies that develop new housing opportunities for families could be expanded, with a specific focus on creating affordable housing in low-poverty neighborhoods. HUD could help fund and finance these developments through the HOME Program, Community Development Block Grant funding, and the Low-Income Housing Tax Credit Program.

In recent years, HUD has also developed programs that support comprehensive planning and community development efforts that link housing opportunities with high-quality services, schools, and transportation access. The Choice Neighborhoods initiative, which builds on the successes of HOPE VI and the lessons from MTO, is the most recent example of this approach. The program focuses on housing, people, and neighborhoods by offering communities grants that support comprehensive plans aimed at transforming distressed neighborhoods into areas of opportunity. This program, which goes well beyond simply providing housing, encourages partnerships and programmatic strategies that will have meaningful benefits for low-income families.

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