

# You Can't Always Get What You Want: The Role of Public Housing and Vouchers in Achieving Residential Satisfaction

Lauren M. Ross  
Anne B. Shlay  
Temple University

Mario G. Picon  
University of Maryland

---

## Abstract

*Using data from the 2009 American Housing Survey, this research examines neighborhood and housing satisfaction among assisted and unassisted renters. Studying the effect of housing assistance on neighborhood satisfaction allows for an assessment of the role that housing vouchers play in promoting household mobility to higher quality housing and neighborhoods compared with public housing developments or unsubsidized housing units. A major goal of this study is to shed light on the effectiveness of a predominant form of U.S. government-sponsored housing assistance at providing expanded housing choices for low-income families. Our findings show that housing voucher holders and public housing residents achieve higher levels of housing satisfaction and choose more desirable dwellings than do unassisted low-income renters. Housing assistance, however, does not enable recipients to locate to better neighborhoods.*

## Introduction

Policies and programs that federal, state, and city governments support for the provision of subsidized housing have changed dramatically since their emergence in the post-Great Depression era. Initially, policy to provide housing to extremely low-income families supported large-scale, project-based subsidized housing developments, often isolated from the surrounding community.

Project-based public housing developments created physically and socially isolated neighborhoods of concentrated poverty and decay that were lambasted from all sides of the political spectrum. In recent years, subsidized housing development and housing subsidies for the low-income have focused more on integrating new housing and families into the physical and social fabric of local neighborhoods. The goals are to decrease poverty and racial concentration, to improve neighborhood conditions, and to enable assisted renters to move to better neighborhoods.

In 1974, the U.S. Department of Housing and Urban Development (HUD) began providing eligible households with Section 8 rental certificates (vouchers) that cover a set percentage of their rent payments for private-market housing. These subsidies enabled low-income households to move to private-sector housing rather than live in public housing. HUD requires the housing rented under this program to meet standards for quality. To participate, landlords must be willing to accept government rental subsidy payments. The premise of this market-based approach is that these vouchers (demand-side subsidies) will provide better living environments than place-based housing assistance (supply-side subsidies) by offering recipients choices about where they live. Today, the program, now known as the Housing Choice Voucher Program (HCVP), is the largest housing subsidy program for low-income individuals in the United States. HCVP households comprise 42 percent of all HUD-assisted households, an increase from 34 percent in 1993 (Schwartz, 2010).

By encouraging housing mobility, vouchers intend to provide low-income renters better quality housing and neighborhood choice and to promote racial and economic desegregation (Schwartz, 2010). Yet, a growing body of research shows that voucher holders, particularly minority households, often live in neighborhoods with higher levels of poverty and racial concentration and that they are more likely to live in inadequate housing compared with unassisted renters (Comey, 2007; Devine et al., 2003; Koebel, 1997; Pendall, 2000; Popkin, 2010; Popkin, Levy, and Buron, 2009). To understand these disparate outcomes, researchers are examining the constraints that voucher households face when they search for housing in the private rental market. Race- and class-based discrimination are two possible constraints.

Whether the HCVP increases the housing and neighborhood satisfaction of voucher recipients is an unanswered question. Increasing the amount of housing and neighborhood choices available to low-income renters and ultimately improving accessibility to more satisfactory housing and neighborhood situations are major goals of the HCVP. Although researchers find improvements in the physical housing structure of those relocating from public housing projects, they also find that voucher holders remain spatially concentrated in lower income neighborhoods compared with other renters (Devine et al., 2003; Galvez, forthcoming; Popkin and Cunningham, 2000).

Do housing vouchers improve the residential satisfaction of their recipients? This article continues the examination of the spatial outcomes of assisted renters by looking at a major dimension of the housing experience: residents' satisfaction with their neighborhoods. Neighborhood satisfaction is a key component of overall residential satisfaction, which includes satisfaction with the housing structure in addition to its location. Using data from the 2009 American Housing Survey (AHS), this research examines whether housing assistance influences neighborhood and housing satisfaction among assisted renters compared with unassisted renters.

Without direct measures of neighborhood quality, neighborhood satisfaction is a good proxy for assessing the quality of neighborhood experiences by assisted households. Controlling for household, individual, and neighborhood characteristics, we ask if housing assistance (housing vouchers or public housing) significantly affects neighborhood satisfaction among low-income renters. Studying housing assistance effects on neighborhood satisfaction enables us to assess the role that housing vouchers play in promoting the mobility of low-income households to higher quality neighborhoods compared with households living in either public housing developments or unassisted housing units (that is, those who reported not receiving government housing assistance).

Questions about the success of housing policies inevitably lead to discussion of location. The spatial dimension of housing is inextricably linked with access to schools, employment, and other vital neighborhood entities (Shlay, 1995). These entities are some of the many ways in which opportunity is structured within place, specifically the privilege of place (Squires, 2002). A major goal of this study is to shed light on how effective a predominant form of government-sponsored housing assistance, in its attempts to provide expanded housing choices for low-income families, is in overcoming America's legacy of a discriminatory and segregated housing market.

## **Why Neighborhood Satisfaction?**

According to HUD's mission statement, one of its primary goals is for housing to improve families' quality of life (HUD, 2011). The HCVP's goals—to help very low-income families, elderly people, and people with disabilities afford decent, safe, and sanitary housing in the private market—embody these principles. This program, unlike development-based housing, offers individuals and families the opportunity to choose residential options, including single-family homes, townhouses, and apartments.

Because housing is a commodity that is fixed in a particular location, neighborhood choices accompany housing choices; neighborhood satisfaction is a key ingredient of residential satisfaction. Moreover, neighborhood satisfaction itself is recognized as a significant component of people's overall quality of life (Adams, 1984; Lu, 1999; Rossi, 1980). Vouchers, by facilitating housing choices, are intended to enable families to choose their desired neighborhoods. People's evaluations of their neighborhoods indicate the extent to which they are satisfied with their neighborhoods' quality, an element assumed to improve with receiving a voucher. Understanding neighborhood satisfaction is therefore central to judging the success of any housing mobility program.

Determinants of residential satisfaction, consisting of one's satisfaction with both one's neighborhood and one's housing unit, are varied (Bruin and Cook, 1997; Glaster, 1987; Lu, 1999). A household's needs, aspirations, and factors likely to hinder residential mobility often influence these determinants. Researchers have examined the effects on neighborhood satisfaction of a number of housing and neighborhood conditions, household characteristics, and community and neighborhood perceptions. These conditions include indicators of crime, poverty, and social disorder (Ahlbrandt, 1984; Marans and Rodgers, 1975) and also individual and housing characteristics, such as housing assistance, income, tenure, life cycle stage, housing quality, and so on (Ahlbrandt, 1984; Jargun et al., 1990; Lu, 1999). Attitudinal or perceptual variables of individuals' residential satisfaction receive much attention. Community and neighborhood perceptions appear to play a major role in addition to the

actual configuration of residential and household characteristics, particularly perceptions of crime, social order, and social ties (Adams, 1992; Greenberg, 1999; Hipp, 2010; Marans and Rodgers, 1975; Markowitz et al., 2001).

Research has demonstrated a strong correlation between residents' housing satisfaction and neighborhood satisfaction, suggesting that the two phenomena are intertwined (Basolo and Strong, 2002; Glaster, 1987; James, 2008; Lu, 1999). Moreover, both objective and self-reported measures have been found useful in explaining neighborhood satisfaction.

## **Neighborhood Outcomes Among Voucher Holders**

Recent research on voucher households' housing and neighborhood outcomes has examined participants of the Moving to Opportunity (MTO) mobility program and public housing residents who moved from their housing demolished as a result of the HOPE VI Program.<sup>1</sup> Both groups moved to the private rental market via housing vouchers. Most studies have found that voucher households relocated to areas of better quality housing and to lower poverty, safer neighborhoods (Buron, Levy, and Gallagher, 2007; Popkin, 2010; Popkin and Cove, 2007). Research has shown that those who engaged in residential shifts across political jurisdictions (portability moves) also experienced improved neighborhood conditions. From 1998 through 2005, only 9 percent of all HCVP recipients engaged in portability moves (Climaco et al., 2008). In particular, those who relocated from severely distressed public housing experienced improvements in neighborhood satisfaction, especially in terms of safety (Comey, 2007; Gubits, Khadduri, and Turnham, 2009; Kingsley and Petit, 2008; Popkin, 2010; Popkin, Levy, and Buron, 2009).

Other research on the experiences of housing voucher recipients suggests that families reported additional social and economic burdens when they chose to relocate to the private rental market (Buron, Levy, and Gallagher, 2007; Popkin, 2010; Popkin, Levy, and Buron, 2009; Rasinski, Lee, and Haggerty, 2010; Rosenbaum, DeLuca, and Tuck, 2005; Wood, Turnham, and Mills, 2008). Major hardships remained that made their living situations extremely precarious. Many reported facing difficulty keeping up with additional expenses of private rental housing and dealing with pre-existing hardships, such as health and unemployment (Buron, Levy, and Gallagher, 2007; Popkin, 2010; Popkin, Levy, and Buron, 2009; Rasinski, Lee, and Haggerty, 2010; Rosenbaum, DeLuca, and Tuck, 2005; Wood, Turnham, and Mills, 2008).

Additional research has compared the spatial and neighborhood outcomes of voucher holders and unassisted renters. When compared with unsubsidized renters within the same metropolitan area, voucher holders fared worse in terms of neighborhood poverty level, safety, and racial concentration (Comey, 2007; Cunningham and Droesch, 2005; Devine et al., 2003). Race is a major issue. Research finds that voucher holders moved into areas with a high concentration of

---

<sup>1</sup> MTO is a HUD-sponsored randomized housing mobility experiment. MTO provided 4,600 low-income families with children living in public housing within some of the nation's most disadvantaged urban neighborhoods the chance to move to private-market housing in much less distressed communities. The HOPE VI Program replaces severely distressed public housing projects, occupied exclusively by low-income families, with redesigned mixed-income housing and provides housing vouchers to enable some of the original residents to rent apartments in the private market.

African-American residents (Comey, 2007; Popkin, 2010; Popkin, Levy, and Buron, 2009) and that African-American voucher holders were more likely to live in impoverished neighborhoods than were voucher holders of other racial groups (Basolo and Nguyen, 2005; Cunningham and Sawyer, 2005).

### **A Closer Look at Housing Choice Among Voucher Holders**

Research has identified several constraints that prevent voucher holders from moving to better neighborhoods (Basolo and Nguyen, 2005; Cunningham and Sawyer, 2005; GNOFHAC, 2009; Stone, 1993; Turner, Popkin, and Cunningham, 1999). Two major barriers to entering areas of lower poverty concentration are landlord behavior—in particular landlord discrimination—and private rental housing market characteristics, primarily affordable housing availability.

Researchers have identified landlord discrimination against voucher holders, African Americans in particular, as a major barrier in voucher holders' search for available rental housing (Basolo and Nguyen, 2005; Cunningham and Sawyer, 2005; GNOFHAC, 2009). Stone (1993) showed that lower income groups, particularly those receiving housing assistance and other forms of public assistance, are more vulnerable to discrimination by landlords. Turner, Popkin, and Cunningham (1999) suggested that requiring prospective tenants to identify their income sources may serve as a proxy for racial or voucher discrimination. Others have noted that the lack of affordable rental housing available to those with housing vouchers served as a major barrier to relocating to newer, better quality neighborhoods (Basolo and Nguyen, 2005; Comey, 2007; Ma, 2009).

Households with members who have developmental problems or other special needs face even more constrained choices when using housing vouchers. Snell and Duncan (2006) found children's health, behavioral, and educational problems to have a significant effect on voucher households' decisions to move. Those with children who have learning disabilities and require special assistance were less likely to relocate via housing vouchers than were families without these considerations. Popkin, Cunningham, and Burt (2005) studied the transition from distressed public housing and identified a population that was "hard to house." These public housing residents typically have personal or family circumstances—for example, substance abuse, physical or mental health problems, and poor education and work history—that make it difficult for standard relocation options to serve them adequately. These households' special needs make it difficult to make a successful transition to mixed-income or private-market housing. Most housing voucher programs, in their current form, do not address the additional needs of these extremely vulnerable populations (Popkin, Cunningham, and Burt, 2005).

Research has found that voucher recipients are often discouraged and overwhelmed by the housing search process and have difficulty finding housing in tight, affordable housing markets (Basolo and Nguyen, 2005; Finkel and Buron, 2001; Galvez, 2010; Kennedy and Finkel, 1994). The intersection of these challenges, in addition to individual-level hardships, complicates the search and moving processes for voucher holders and ultimately undermines the major policy goals behind the HCVP.

## Data and Methods

The data for this study are from the American Housing Survey, a nationally representative sample of housing units and householders. The AHS, sponsored by HUD, is a longitudinal sample of housing units. The Census Bureau has conducted the survey biannually since 1973.<sup>2</sup> It includes samples both nationally and of selected metropolitan areas. The AHS includes data on individual, household, and neighborhood characteristics and on households' assessment of their neighborhoods and housing quality.

The analysis in this article uses data from the 2009 national sample, which consists of 73,222 households. The sample is restricted to those households that rent and responded to the AHS question, "Does the Federal, State, or local government pay some of the cost of the unit?" Those who responded "No" were coded as unassisted renters. From those who answered "Yes" to this question, those who reported receiving housing vouchers that could be used to move or reported living in a building owned by a public housing authority (PHA) were included in the sample. Including only those who reported having a housing voucher that could be used to move to another location ensures that the voucher holders in the sample had knowledge that their vouchers allowed for mobility. Unassisted renters were further restricted to include only those with a household income below or equal to the HUD very low-income limit, based on 50 percent of the Area Median Income. This restriction allows for comparing assisted low-income renters with unassisted low-income renters. The resulting sample size is 6,117 households consisting of voucher holders, public housing residents, and unassisted low-income renters.

Research has found that survey responses regarding the fact and type of housing assistance received are widely misreported (Casey, 1992; Shroder, 2002), a recognized limitation of this study. Casey (1992) conducted a study that matched HUD-assisted addresses with those reporting assistance in their AHS responses. She found housing assistance misidentification among voucher holders (33 percent), those residing in project-based assisted housing (42 percent), and eligible but unassisted renters (10 percent). In addition to these well-documented "false positives," reporting errors also exist in cases in which those who are assisted report that they are not, and vice versa (Shroder, 2002). Because of these reporting errors associated with self-reported housing assistance, differences between assisted and unassisted households may be understated. Since these findings were reported, however, the wording of housing assistance questions in the AHS has improved substantially to reduce reporting errors.

The two major variables used in this study are housing satisfaction and neighborhood satisfaction. Housing satisfaction is measured by a respondent's answer to the question, "On a scale of 1 to 10, how would you rate your unit as a place to live?" Neighborhood satisfaction is measured by a respondent's answer to the question, "On a scale of 1 to 10, how would you rate the neighborhood as a place to live?" For both questions, 10 indicates the best rating and 1 indicates the worst. For these questions, the AHS leaves the concepts of *housing* and *neighborhood* undefined; respondents define their own concepts of housing and neighborhood.

---

<sup>2</sup> Formerly the Annual Housing Survey, the survey became biannual in 1981.

The distributions for the dependent variables of interest, housing and neighborhood satisfaction, are positively skewed, with most of the sample rating their housing and neighborhood at 6 or above. Because of the small number of observations in the lower satisfaction levels, 1 through 4, the satisfaction measures were recoded into five ordered categories: least satisfied (1 to 2), somewhat satisfied (3 to 4), moderately satisfied (5 to 6), very satisfied (7 to 8), and most satisfied (9 to 10). Exhibit 1 shows the respective distributions of housing and neighborhood satisfaction rankings in the sample.

Explanatory variables used in this analysis can be grouped in three distinct ways: (1) neighborhood attributes (exposure to crime, the presence of anything bothersome in the neighborhood, and availability of community services), (2) socioeconomic attributes (form of housing assistance, race, age,<sup>3</sup> education, duration of residence, the presence of children, welfare receipt, disabled householders, and housing adequacy), and (3) geographic controls (city/suburb/rural indication, fixed effects for metropolitan statistical area codes, and the availability of affordable rental housing, referred to as the tightness of the housing market<sup>4</sup>).

The selection of these variables is largely guided by past research that has found them to be significant predictors of neighborhood satisfaction.<sup>5</sup> The geographic variables control for local variations in urban and rural settings and for metropolitan-level factors in housing subsidy program administration. Subsidized housing allocation and distribution are often products of local arrangements via the state or property owners. For example, dramatic differences exist among state and local programs and in HUD's allocation of resources to particular regions, states, and cities, which make for variation in approaches to subsidized rental housing. In addition, we cluster observations by metropolitan area. This technique assumes shared unobservable characteristics among people from the same metropolitan areas and attempts to capture variation within groups of renters.

### **Exhibit 1**

#### **Neighborhood and Housing Satisfaction of Renters**

	<b>Neighborhood Satisfaction</b>	<b>Housing Satisfaction</b>
Least satisfied	3%	2%
Somewhat satisfied	5%	4%
Moderately satisfied	18%	17%
Very satisfied	38%	43%
Most satisfied	36%	34%
Total	6,000	6,022

*Source: 2009 American Housing Survey*

<sup>3</sup> Because age is analyzed as a vector of age and age-squared to account for the nonlinear relationship between age and neighborhood and housing satisfaction, we include both age and age-squared as independent variables.

<sup>4</sup> The ratio of Fair Market Rent (FMR) to Area Median Income (AMI) is used as a summary indicator of market tightness and shortages of affordable housing. This indicator reflects the percentage of the AMI at which a two-bedroom FMR equals 30 percent of the income of a three-person household. For more information on this measure, see Nelson (2002).

<sup>5</sup> Other potential explanatory variables, including gender (female), marital status (single), and income, were highly correlated with whether households received public assistance.

The model that predicts housing satisfaction includes neighborhood satisfaction as an independent variable and the model that predicts neighborhood satisfaction does the same with housing satisfaction. These variables are included as independent variables because housing and neighborhood satisfaction are closely related (Lu, 1999). The specification for each model is different. The housing satisfaction model includes an index measure of housing adequacy that is based on a number of structural conditions for the housing unit. The neighborhood satisfaction model includes three perceptual variables that assess neighborhood conditions.

Housing and neighborhood satisfaction are ordered dependent variables; therefore, the analysis employs an ordered logit model. Although researchers typically use multinomial logit or probit models for discrete-outcome categorical variables, an ordered logit model is most appropriate in this case because it takes into account the ordinal nature of the outcomes (Greene, 1997; Lu, 1999). Under this ordered logit model, the cumulative probability of an individual (*i*) being in a particular neighborhood satisfaction category (*j*) or higher is

$$F_{ij} = \sum_{m=j}^J P_{im} \tag{1}$$

where  $P_{im}$  is the probability that individual *i* falls into category *m* and *J* is equal to the highest neighborhood satisfaction category (in this case, a rating of 9 or 10). Each  $F_{ij}$  is the probability that the *i*th individual is in the *j*th or lower neighborhood satisfaction category. The model is

$$\log\left(\frac{F_{ij}}{1 - F_{ij}}\right) = \alpha_j + Bx_i, j = 1, \dots, J - 1 \tag{2}$$

where  $Bx_i = \beta_1 x_{i1} + \dots + \beta_k x_{ik}$  with *k* being equal to the number of independent variables in the model. These formulas create a single set of coefficients, but a different intercept/break for each equation that represents the probability of being in any higher satisfaction category (Allison, 1999).

## Results

The following section presents the relationships between forms of housing assistance and socioeconomic, neighborhood, and housing characteristics. These results demonstrate the unique ways in which groups of low-income renters differ. We then present a multivariate analysis to see if housing assistance, when controlling for this host of individual, neighborhood, and housing characteristics, impacts housing and neighborhood satisfaction among low-income renters. We place special emphasis on comparing voucher holders and PHA residents with unassisted low-income renters.

### Assisted and Unassisted Low-Income Renters: Comparative Analysis

Although all respondents are low-income renters, some notable differences exist between those receiving assistance and unassisted renters. Exhibit 2 compares the housing and household characteristics of voucher holders, public housing residents, and unassisted low-income renters. Voucher holders and public housing residents were more likely than unassisted renters to be female, African American, without a spouse, and receive welfare assistance such as Aid to Families with Dependent Children or food stamps. Voucher holders and public housing residents reported lower contract

rents (without utilities) compared with unassisted renters, average differences of \$68 and \$331 per month for voucher holders and public housing residents, respectively. Voucher holders (42 percent) and public housing residents (39 percent) were also more likely to have a disabled household member compared with unassisted renters (22 percent). About one-third to one-half of all renters had at least one child present in the household.

Voucher holders and public housing residents were economically worse off than unassisted renters. This condition is the direct result of eligibility requirements for housing subsidy program participants. Although only voucher holders were more likely to have children, both voucher holders and public housing residents had lower incomes, were more likely to receive other welfare assistance, and were more likely to have a disabled householder than unassisted renters—in part, conditions mandated by the design of subsidy eligibility standards.

Assisted renters tended to be slightly less likely to be satisfied with their neighborhood compared with their unassisted counterparts, although all groups were about equally satisfied with their housing units. The vast majority of these three groups also lived in adequate housing as indicated by structural conditions of their housing unit. The differences among neighborhood characteristics are slight to negligible. The comparability of neighborhood conditions among these groups suggests that these low-income renters largely reside in similar types of neighborhoods.

## Exhibit 2

### Household and Neighborhood Characteristics by Housing Assistance (1 of 2)

Socioeconomic Characteristics		Unassisted Renters	Voucher Holders	PHA Residents
Sex	Female	58%	80%	75%
		(4,993)	(544)	(580)
Race	African American	24%	49%	42%
	Hispanic	23%	15%	16%
		(4,613)	(513)	(521)
Marital status	Single	78%	90%	90%
		(4,993)	(544)	(580)
Welfare/food stamps	Yes	23%	58%	45%
		(4,993)	(544)	(580)
Children present	Yes	39%	47%	36%
		(4,993)	(544)	(580)
Education	Less than high school diploma	26%	31%	33%
	High school diploma or more	74%	69%	67%
		(4,993)	(544)	(580)
Mobility	Moved into unit in past 2 years	44%	35%	22%
		(4,993)	(544)	(580)
Contract rent	Mean	734	666	403
	Standard deviation	399	402	368
		(4,935)	(540)	(576)
Disabled householder	Yes	22%	42%	39%
		(4,975)	(543)	(576)

**Exhibit 2**

**Household and Neighborhood Characteristics by Housing Assistance (2 of 2)**

Neighborhood/Housing Characteristics		Unassisted Renters	Voucher Holders	PHA Residents
Neighborhood satisfaction	Least satisfied	3%	5%	5%
	Somewhat satisfied	4%	6%	5%
	Moderately satisfied	18%	21%	20%
	Very satisfied	40%	30%	33%
	Most satisfied	35%	38%	37%
		(4,889)	(541)	(570)
Housing satisfaction	Least satisfied	2%	2%	2%
	Somewhat satisfied	4%	4%	4%
	Moderately satisfied	17%	16%	14%
	Very satisfied	44%	39%	37%
	Most satisfied	33%	40%	43%
		(4,908)	(540)	(574)
Presence of serious crime	Yes	23%	31%	26%
		(4,913)	(539)	(571)
Community services	Available	25%	29%	36%
		(4,993)	(544)	(580)
Bothersome neighborhood aspects	Yes	17%	20%	19%
		(4,982)	(543)	(580)
Housing unit adequacy	Inadequate	11%	13%	8%
	Adequate	89%	87%	92%
		(4,993)	(544)	(580)
Urbanicity	Central city of MSA	47%	52%	50%
	Suburban	42%	38%	38%
	Rural	11%	10%	12%
		(4,993)	(544)	(580)

MSA = metropolitan statistical area. PHA = public housing authority.

**Effect of Government Housing Assistance on Neighborhood and Housing Satisfaction**

Exhibits 3 and 4 present ordered logit modeling of the effects of socioeconomic, neighborhood, and geographic variables on two different satisfaction measures for low-income renters. The first model examines these effects on housing satisfaction. The second model looks at these effects on neighborhood satisfaction. The model for housing satisfaction examines the influence of neighborhood satisfaction and different housing assistance types (voucher holders, public housing residents, and unassisted renters) on whether people are more or less satisfied with their particular housing unit, net of other factors. The model for neighborhood satisfaction shows the influence of housing satisfaction, different housing assistance types, and other factors on the variation in neighborhood satisfaction.

Neighborhood satisfaction is included as an independent variable in the housing satisfaction model, and vice versa. The high correlation between housing satisfaction and neighborhood satisfaction (0.57) indicates that approximately 30 percent of the variance in neighborhood satisfaction is explained by housing satisfaction for low-income renters. The estimates of the effects of different

types of housing assistance on housing and neighborhood satisfaction, therefore, are net of the influence of satisfaction with their housing unit or neighborhood.<sup>6</sup>

Exhibit 3 presents the results of the equation for housing satisfaction among renters. Housing assistance had a significant positive effect on housing satisfaction. Compared with unassisted low-income renters, both voucher holders and public housing residents were more satisfied with their housing, independent of their satisfaction with their neighborhood. In particular, the odds of observing a higher degree of housing satisfaction for voucher holders are 58 percent higher than the odds for unassisted renters.

### Exhibit 3

#### Housing Satisfaction by Household and Neighborhood Characteristics

	Log Odds	Robust SE
Housing assistance <sup>a</sup>		
Housing vouchers	0.455***	(0.100)
PHA housing	0.500***	(0.092)
Neighborhood satisfaction	1.462***	(0.045)
Housing adequacy (1 = adequate)	0.528***	(0.069)
Socioeconomic attributes <sup>b</sup>		
Hispanic	0.018	(0.081)
African American	-0.046	(0.057)
Age	-0.014*	(0.006)
Age <sup>2</sup>	0.000***	(0.000)
Welfare receipt (1 = welfare recipient)	0.022	(0.054)
Education <sup>c</sup> (1 = high school diploma or more)	-0.074	(0.041)
Children (1 = has children)	-0.046	(0.051)
Special needs (1 = disabled householder)	-0.223***	(0.049)
Contract rent (in thousands)	0.025	(0.075)
Moved into unit in past 2 years (1 = yes)	0.135***	(0.040)
Geographic variables <sup>d</sup>		
Suburban areas of MSA	-0.100*	(0.045)
Rural	-0.152***	(0.041)
Tightness of housing market	0.644	(0.524)
Number of observations	5,469	
Wald Chi <sup>2</sup> (17)	2,653.44	
Pseudo R <sup>2</sup>	0.191	

MSA = metropolitan statistical area. PHA = public housing authority.

<sup>a</sup> Omitted group = unassisted renters. <sup>b</sup> Omitted group = White. <sup>c</sup> Omitted group = less than high school diploma. <sup>d</sup> Omitted group = central city of MSA.

\*  $p < 0.05$ . \*\*  $p < 0.01$ . \*\*\*  $p < 0.001$ .

Source: 2009 American Housing Survey, National Sample

<sup>6</sup> The high correlation between housing satisfaction and neighborhood satisfaction most likely reflects that housing and neighborhood are intimately connected. People's sense of satisfaction with their housing may include their perspectives on their neighborhood, and vice versa. At the same time, housing and neighborhood conditions covary. Nicer, higher quality housing tends to be in nicer neighborhoods, and vice versa. To be sure, housing satisfaction and neighborhood satisfaction are not perfectly correlated, indicating that, for these low-income renters, a significant proportion of the variance in each variable remains unexplained by variance in the other.

Estimates also show, as expected, that locational and household characteristics are significant predictors of housing satisfaction, net of neighborhood satisfaction, among low-income renters. All else being equal, young renters, those with children or a disabled householder, and those renting in suburban and rural areas were less satisfied with their housing compared with older renters, those without children or a disabled householder, and those renting in central cities, respectively. Residing in a housing unit with adequate structural conditions (such as readily available hot water and proper electrical wiring) and having moved into the unit in the past 2 years have significant positive effects on housing satisfaction among low-income renters. Actual rent (in thousands) and market tightness (a proxy for the availability of affordable rental housing) do not have significant effects on housing satisfaction for these groups.

Exhibit 4 presents the results of the model predicting neighborhood satisfaction for low-income renters. In this case, housing assistance has an opposite effect on neighborhood satisfaction than

### Exhibit 4

#### Neighborhood Satisfaction by Household and Neighborhood Characteristics

	Log Odds	Robust SE
Housing assistance <sup>a</sup>		
Housing vouchers	- 0.184*	(0.083)
PHA housing	- 0.337**	(0.114)
Housing satisfaction	1.525***	(0.060)
Neighborhood attributes		
Crime (1 = experienced crime)	- 0.823***	(0.056)
Community services (1 = services are available)	0.140**	(0.057)
Anything bothersome in neighborhood (1 = yes)	- 1.094***	(0.080)
Socioeconomic attributes <sup>b</sup>		
Hispanic	0.063	(0.132)
African American	- 0.081	(0.089)
Age	0.009	(0.007)
Age <sup>2</sup>	- 0.000	(0.000)
Welfare receipt (1 = welfare recipient)	- 0.022	(0.062)
Education <sup>c</sup> (1 = high school diploma or more)	0.017	(0.049)
Children (1 = has children)	0.044	(0.047)
Special needs (1 = disabled householder)	0.107	(0.089)
Contract rent (in thousands)	0.224**	(0.072)
Moved into unit in past 2 years (1 = yes)	- 0.076	(0.052)
Geographic variables <sup>d</sup>		
Suburban areas of MSA	0.232***	(.044)
Rural	0.438***	(0.043)
Tightness of housing market	- .899*	(0.431)
Number of observations	5,397	
Wald Chi <sup>2</sup> (19)	3,279.87	
Pseudo R <sup>2</sup>	0.218	

MSA = metropolitan statistical area. PHA = public housing authority.

<sup>a</sup> Omitted group = unassisted renters. <sup>b</sup> Omitted group = White. <sup>c</sup> Omitted group = less than high school diploma. <sup>d</sup> Omitted group = central city of MSA.

\*  $p < 0.05$ . \*\*  $p < 0.01$ . \*\*\*  $p < 0.001$ .

Source: 2009 American Housing Survey, National Sample

that demonstrated above. Although both voucher holders and public housing residents were more satisfied with their housing units compared with unassisted low-income renters, both were less satisfied with their neighborhoods. The odds of observing a higher level of neighborhood satisfaction are 17 percent lower for voucher holders compared with unassisted renters.

Neighborhood attributes also had an effect on neighborhood satisfaction, net of socioeconomic and geographic controls. The presence of crime (negative), community services (positive), and bothersome neighborhood aspects (negative) all had significant effects on neighborhood satisfaction. Although suburban and rural renters were less happy with their housing compared with urbanites, they were happier with their neighborhoods. Paying more rent brought more satisfaction with their neighborhood as well. Residing in a tighter housing market, where presumably affordable rental housing is scarcer, however, had a significant negative effect on neighborhood satisfaction, everything else being equal.

## **Discussion and Policy Implications**

The positive influences on housing satisfaction when receiving a housing voucher or living in public housing indicate that housing assistance is providing lower income households with higher quality housing compared with unassisted low-income renters. Both public housing residents and voucher holders, all else being equal, had higher levels of satisfaction with their housing units. Greater housing assistance among those receiving vouchers or residing in public housing suggests that, as a policy, housing assistance is working to improve the housing situations of the lowest income sector of the population. By increasing households' expenditures on rent, housing vouchers improve housing quality for low-income renters, although housing vouchers did not have this effect on neighborhood quality.

HUD intends for vouchers to enable families to locate in more desirable neighborhoods by increasing household expenditures toward rent and by facilitating housing choices. For voucher holders, however, the assumption that better housing leads to better neighborhoods did not hold true. Although housing assistance appears important for voucher holders and public housing residents in choosing a suitable or even desired dwelling, it does not appear to be sufficient in supporting their relocation to better neighborhoods. These results suggest that voucher holders may be restricted to housing in less desirable neighborhoods than the neighborhoods available to unassisted renters. These findings are consistent with previous research that suggests voucher holders may face barriers to relocation in the private rental market and, as a result, may be limited to particular neighborhoods (Devine et al., 2003; Popkin and Cunningham, 2000).

How do these results inform the elements, goals, and implementation of the HCVP? Over the years, the program has adopted measures to encourage and facilitate mobility across neighborhoods and PHA jurisdictions. In addition to allowing for portability, the voucher program raised the ceiling on the rent amount that recipients can pay. These modifications to the program were a response to the continued concentration of poverty and lack of mobility among voucher households. Despite these changes, the main goal of the HCVP is still to provide greater housing choice to low-income voucher holders who undeniably face a host of social problems and disadvantages and who often lack the resources to escape these problems. As a mobility program, the HCVP

encourages low-income households to improve their housing, but it does not directly alter the neighborhood conditions in which these housing units are available.

This research suggests that housing assistance, by providing either public housing or vouchers, enables people to live in better (more satisfactory) housing. This research does not, however, support the assumption that housing choice enables families to optimize neighborhood conditions, as indicated by neighborhood satisfaction. More generally, a need exists for greater attention to neighborhood conditions of all rental housing, particularly of housing available to voucher holders and other low-income households. This need may reflect problems in the neighborhoods of rental housing for low-income renters as a whole.

Basing our analysis on this research, we cannot argue that housing vouchers are more successful than many of the project-based approaches to public housing. Many of those projects were located in low-income neighborhoods and consisted of inadequate housing. In those cases, low-income renters could accept the subsidy and deal with the location, or reject the subsidy and try to make it in the private rental market, where a better location was not necessarily guaranteed. The HCVP's tenant-based approach certainly grants greater freedom of choice, but choice is still constrained and renters do not have access to the entire rental marketplace. The premise behind choice is to find adequate housing in a good neighborhood, but these findings suggest that voucher holders may still be confined to particular neighborhoods when they search for better housing.

The absence of neighborhood effects also concerns the implementation of housing policy interventions within the context of a segmented housing market. Providing vouchers that theoretically allow choice cannot change the location of low-income affordable housing, which is largely defined by the institutional mechanisms that underlie the housing market. A policy that supports choice cannot realistically free up these choices when these choices are already constrained to particular neighborhoods. Rental markets remain highly segmented by income, independent of location and other factors. Although this research is based on residential outcome data, the findings call for greater attention to the conditions and processes that voucher holders, and low-income renters more generally, face in their search for housing. Although numerous efforts on behalf of the federal government have been aimed at improving living conditions for all groups and localities, the concentration of low-income housing cannot be ignored in efforts for greater mobility choices.

## Conclusion

Studying the effect of housing assistance on neighborhood satisfaction allows for an assessment of the role that housing vouchers play in promoting the mobility of low-income households to higher quality neighborhoods compared with those living in either public housing developments or unassisted housing units. These findings indicate the persistence of a limited housing choice for assisted households—particularly one that remains unchallenged with the introduction of housing vouchers. Access to neighborhoods of opportunity, in which voucher households are more or equally satisfied with their neighborhood compared with unassisted households, remains elusive. Families residing in undesirable areas likely face inadequate education systems, inadequate employment opportunities, and safety and health concerns. Without programs that drastically alter the institutions underlying this geography, these same outcomes are likely to pass on to future generations.

More than 35 years ago, Chester Hartman, a national advocate for low-income housing, stated in his seminal book, *Housing and Social Policy*, that housing vouchers ...

... foster the principle of individual choice in the housing market, which is a critical component of housing satisfaction but it takes no steps to ensure that market conditions will be such that the low-income consumer can truly have free choice or satisfaction. With the present realities of housing conditions and the housing market, freedom of choice can only be enhanced by more government intervention, not less (Hartman, 1975: 159).

This study indicates that barriers to choice remain a critical concern. Geographic obstacles to opportunity appear to persist. Market-based mechanisms such as housing vouchers do not correct for market failure—in this case, concentration of affordable rental housing, discrimination, and transportation costs that limit choices in the residential search process. Housing voucher policy is not meeting some of its broader policy goals, such as equality in neighborhood choice and quality.

## Acknowledgments

This paper developed out of a presentation at the HUD-sponsored American Housing Survey User Conference in Washington, D.C., March 8, 2011. The authors thank the staff at the U.S. Department of Housing and Urban Development, Office of Policy Development and Research, especially Shawn Bucholtz, for helpful guidance and comments.

## Authors

Lauren M. Ross is a Ph.D. student in the Department of Sociology at Temple University.

Anne B. Shlay is a professor in the Department of Sociology at Temple University.

Mario G. Picon is a Ph.D. candidate in the School of Public Policy at the University of Maryland at College Park.

## References

- Adams, John S. 1984. "The Meaning of Housing in America," *Annals of the Association of American Geographers* 74 (4): 515–526.
- Adams, Richard E. 1992. "Is Happiness a Home in the Suburbs? The Influence of Urban Versus Suburban Neighborhoods on Psychological Health," *Journal of Community Psychology* 20: 353–371.
- Ahlbrandt, Roger S., Jr. 1984. *Neighborhoods, People, and Community*. New York: Plenum.
- Allison, Paul D. 1999. *Logistic Regression Using the SAS System: Theory and Application*. Cary, NC: SAS Institute.
- Basolo, Victor, and Mai Thi Nguyen. 2005. "Does Mobility Matter? An Analysis of Housing Voucher Holders' Neighborhood Conditions by Race and Ethnicity," *Housing Policy Debate* 16 (3/4): 297–324.

- Basolo, Victor, and Denise Strong. 2002. "Understanding the Neighborhood: From Residents' Perceptions and Needs to Action," *Housing Policy Debate* 13 (1): 83–105.
- Bruin, Marilyn J., and Christine Cook. 1997. "Understanding Constraints and Residential Satisfaction Among Low-Income Single-Parent Families," *Environment and Behavior* 23 (5): 531–552.
- Buron, Larry, Diane K. Levy, and Megan Gallagher. 2007. *Housing Choice Vouchers: How HOPE VI Families Fared in the Private Market*. Washington, DC: The Urban Institute.
- Casey, Connie H. 1992. *Characteristics of HUD-Assisted Renters and Their Units in 1989*. Washington, DC: U.S. Department of Housing and Urban Development, Office of Policy Development and Research.
- Climaco, Carissa G., Christopher N. Rodger, Judith D. Feins, and Ken Lam. 2008. "Portability Moves in the Housing Choice Voucher Program, 1998–2005," *Cityscape* 10 (1): 5–40.
- Comey, Jennifer. 2007. "HOPE VI'd and on the Move." Washington, DC: The Urban Institute. [http://www.urban.org/UploadedPDF/311485\\_HOPEVI\\_Mobility.pdf](http://www.urban.org/UploadedPDF/311485_HOPEVI_Mobility.pdf) (accessed September 30, 2011).
- Cunningham, Mary K., and Audrey Droesch. 2005. *Neighborhood Quality and Racial Segregation*. Washington, DC: The Urban Institute.
- Cunningham, Mary K., and Noah Sawyer. 2005. *Moving to Better Neighborhoods With Mobility Counseling*. Washington, DC: The Urban Institute. <http://www.urban.org/publications/311146.html> (accessed September 30, 2011).
- Devine, Deborah J., Robert W. Gray, Lester Rubin, and Lydia B. Taghavi. 2003. *Housing Choice Voucher Location Patterns: Implications for Participant and Neighborhood Welfare*. Washington, DC: U.S. Department of Housing and Urban Development. [http://www.huduser.org/Publications/pdf/Location\\_Paper.pdf](http://www.huduser.org/Publications/pdf/Location_Paper.pdf) (accessed September 30, 2011).
- Finkel, Meryl, and Larry Buron. 2001. *Study on Section 8 Voucher Success Rates*. Vol. I, *Quantitative Study of Success Rates in Metropolitan Areas*. Cambridge, MA: Abt Associates.
- Galvez, Martha M. 2010. *What Do We Know About Housing Choice Voucher Program Location Outcomes? A Review of Recent Literature*. Washington, DC: The Urban Institute.
- Galvez, Martha M. Forthcoming. Defining 'Choice' in the Housing Choice Voucher Program. Unpublished diss. New York University, Wagner School of Public Service.
- Glaster, George. 1987. "Identifying the Correlates of Dwelling Satisfaction: An Empirical Critique," *Environment and Behavior* 19 (5): 539–568.
- Greater New Orleans Fair Housing Action Center (GNOFHAC). 2009. *Housing Choice in Crisis: An Audit Report on Discrimination Against Housing Choice Voucher Holders in the Greater New Orleans Rental Market*. <http://www.gnofairhousing.org/2009/09/16/housing-choice-in-crisis/> (accessed September 30, 2011).

Greenberg, Michael. 1999. "Improving Neighborhood Quality: A Hierarchy of Needs," *Housing Policy Debate* 10: 601–624.

Greene, William H. 1997. *Econometric Analysis*, 3rd ed. Upper Saddle River, NJ: Prentice Hall.

Gubits, Daniel, Jill Khadduri, and Jennifer Turnham. 2009. *Housing Patterns of Low Income Families with Children: Further Analysis of Data From the Study of the Effects of Housing Vouchers on Welfare Families (W09–7)*. Cambridge, MA: Harvard University, Joint Center for Housing Studies. <http://www.jchs.harvard.edu/research/publications/housing-patterns-low-income-families-children-further-analysis-data-study> (accessed March 30, 2011).

Hartman, Chester. 1975. *Housing and Social Policy*. Englewood Cliffs, NJ: Prentice Hall.

Hipp, John. 2010. "What Is the 'Neighborhood' in Neighborhood Satisfaction? Comparing the Effects of Structural Characteristics at the Micro-Neighborhood and Tract Levels," *Urban Studies* 47 (12): 2517–2536.

James, Russell N., III. 2008. "Impact of Subsidized Rental Housing Characteristics on Metropolitan Residential Satisfaction," *Journal of Urban Planning and Development* 134 (4): 166–172.

Kennedy, Stephen D., and Meryl Finkel. 1994. *Section 8 Rental Voucher and Rental Certificate Utilization Study: Final Report*. Cambridge, MA: Abt Associates.

Kingsley, Tom, and Kathryn Pettit. 2008. *Have MTO Families Lost Access to Opportunity Neighborhoods Over Time?* Washington, DC: The Urban Institute.

Koebel, C. Theodore. 1997. "Housing Conditions of Low-Income Families in the Private, Unassisted Housing Market in the United States," *Housing Studies* 12 (2): 209–213.

Lu, Max. 1999. "Determinants of Residential Satisfaction: Ordered Logit vs. Regression Models," *Growth and Change* 30: 264–287.

Ma, Fontane. 2009. "Boosting the Portability of Housing Vouchers," *Policy Matters Journal* Spring: 9–13. <http://policymatters.net/wordpress/wp-content/uploads/2009/08/sp09-ma.pdf> (accessed September 30, 2011).

Marans, Robert, and Willard Rodgers. 1975. "Toward an Understanding of Community Satisfaction." In *Metropolitan America in Contemporary Perspective*, edited by Amos H. Hawley and Vincent P. Rock. New York: Wiley: 299–352.

Markowitz, Fred, Paul Bellair, Allen Liska, and Jianhong Liu. 2001. "Extending Social Disorganization Theory: Modeling the Relationships Between Cohesion, Disorder, and Fear," *Criminology* 39: 293–319.

Nelson, Kathryn P. 2002. "Housing Needs and Effective Policies in High-Tech Metropolitan Economies," *Housing Policy Debate* 13 (2): 417–469.

Pendall, Rolf. 2000. "Why Voucher and Certificate Users Live in Distressed Neighborhoods," *Housing Policy Debate* 11 (4): 881–910.

Popkin, Susan, and Mary Cunningham. 2000. *Searching for Rental Housing With Section 8 in Chicago*. Washington, DC: The Urban Institute.

- Popkin, Susan J. 2010. "A Glass Half Empty? New Evidence From the HOPE VI Panel Study," *Housing Policy Debate* 20 (1): 43–63.
- Popkin, Susan J., and Elizabeth Cove. 2007. *Safety Is the Most Important Thing: How HOPE VI Helped Families*. Washington, DC: The Urban Institute.
- Popkin, Susan J., Mary K. Cunningham, and Martha Burt. 2005. "Public Housing Transformation and the Hard to House," *Housing Policy Debate* 16 (1): 1–24.
- Popkin, Susan J., Diane K. Levy, and Larry Buron. 2009. "Has HOPE VI Transformed Residents' Lives: New Evidence From the HOPE VI Panel Study," *Housing Studies* 24: 477–502.
- Rasinski, Kenneth, Lisa Lee, and Catherine Haggerty. 2010. "Functional and Social Neighborhood Integration of Leaseholders Relocated Into Public and Private Housing by the Chicago Housing Authority's Plan for Transformation," *Housing Policy Debate* 20 (1): 65–89.
- Rosenbaum, James E., Stefanie DeLuca, and Tammy Tuck. 2005. "Crossing Borders and Adapting: How Low-Income Black Families Acquire New Capabilities in Suburban Neighborhoods." In *Metro Dilemma: Race, Housing Choice, and Opportunity in America*, edited by Xavier de Souza Briggs. Washington, DC: Brookings Institution: 150–175.
- Rossi, Peter H. 1980. *Why Families Move*, 2nd ed. Beverly Hills, CA: SAGE Publications.
- Schwartz, Alex F. 2010. *Housing Policy in the United States: An Introduction*, 2nd ed. New York: Routledge.
- Shlay, Anne B. 1995. "Housing in the Broader Context in the United States," *Housing Policy Debate* 6 (3): 685–720.
- Shroder, Mark. 2002. "Does Housing Assistance Perversely Affect Self-Sufficiency? A Review Essay," *Journal of Housing Economics* 11 (4): 381–417.
- Snell, Emily, and Greg Duncan. 2006. "Child Characteristics and Successful Use of Housing Vouchers: Estimates From the Moving to Opportunity Demonstration," *Housing Policy Debate* 17 (4): 727–754.
- Squires, Gregory D. 2002. "Urban Sprawl and the Uneven Development of Metropolitan America." In *Urban Sprawl: Causes, Consequences, and Policy Responses*, edited by Gregory D. Squires. Washington, DC: The Urban Institute: 1–22.
- Stone, Michael E. 1993. *Shelter Poverty: New Ideas on Housing Affordability*. Philadelphia: Temple University.
- Turner, Margery Austin, Susan J. Popkin, and Mary K. Cunningham. 1999. *Section 8 Mobility and Neighborhood Health: Emerging Issues and Policy Challenges*. Washington, DC: The Urban Institute.
- U.S. Department of Housing and Urban Development (HUD). 2011. "U.S. Department of Housing and Urban Development Mission." <http://portal.hud.gov/hudportal/HUD?src=/about/mission> (accessed February 2).

Wood, Michelle, Jennifer Turnham, and Gregory Mills. 2008. "Housing Affordability and Family Wellbeing: Results From the Housing Voucher Evaluation," *Housing Policy Debate* 19 (2): 367–412.

## **Additional Reading**

Jagun, Adedokun, Diane Brown, Norweeta Millburn, and Lawrence Gary. 1990. "Residential Satisfaction and Socioeconomic and Housing Characteristics of Urban Black Adults," *Journal of Black Studies* 21: 40–51.

Speare, Alden, Jr. 1974. "Residential Satisfaction As an Intervening Variable in Residential Mobility," *Demography* 11: 173–188.

---