

Moving to Opportunity: An Experiment in Social and Geographic Mobility

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Moving to Opportunity (MTO) is a demonstration designed to ensure a rigorous evaluation of the impacts of helping very low-income families with children to move from public and assisted housing in high-poverty inner-city neighborhoods to middle-class neighborhoods throughout a metropolitan area.

Poverty in the United States has become increasingly concentrated in high-poverty areas. These concentrated high-poverty, usually urban, and frequently segregated neighborhoods are widely thought to deny their residents opportunities by denying them access to good schools, safe streets, successful role models, and good places to work. Three possible solutions to the problem of concentration are:

- To enable families living in such neighborhoods to move to neighborhoods with low rates of poverty.
- To help families living in such neighborhoods to link to jobs in areas with economic opportunity.
- To help promote the revitalization of distressed inner-city neighborhoods.

HUD is pursuing research and policy initiatives on all three of these approaches; MTO is designed to measure the value of the first one.

We do not know the extent to which moving the poor out of concentrated poverty neighborhoods, in fact, increases their life chances. Poor people who live in concentrated poverty may differ from other poor people both in ways that can be observed, like race or age, and in ways that may not be observed, like aspiration or persistence. Any differences in people's outcomes that seem to be associated with the neighborhoods in which they reside might be caused by those neighborhoods—or might be caused by unobserved factors that also affect the sorting of people into different neighborhoods. Only an experiment in which neighborhoods are allocated randomly can answer this question.

History

The Gautreaux initiative in Chicago, a court-ordered remedy for segregation in that city's public housing program, produced striking evidence for neighborhood impacts. In

Gautreaux, low-income Black families moved with housing assistance to largely White neighborhoods in both the city and the suburbs. Considerable differences were later observed in employment and education outcomes between those who had moved to the suburbs and those who had moved to the city. However, Gautreaux was not designed as an experiment, and a variety of factors could have biased these results. For example, data were not collected on the families who did not use their assistance to lease a unit.

MTO was inspired by the evidence from Gautreaux. The demonstration was authorized under Section 152 of the Housing and Community Development Act of 1992, which directed HUD to

assist very low-income families with children who reside in public housing or housing receiving project-based assistance under Section 8 of the Housing and Community Development Act of 1937 to move out of areas with high concentrations of persons living in poverty to areas with low concentrations of such persons.

Section 152 specified that the targeted public and assisted housing projects had to be in cities of at least 350,000 people, located in metropolitan areas of at least 1.5 million people, and required a report to Congress not later than September 30, 2004, on the long-term housing, educational, and employment achievements of the assisted families relative to comparable families who had not received demonstration assistance. The HUD appropriations acts for fiscal years 1992 and 1993 provided \$70 million in incremental housing certificates and vouchers for the demonstration.

Baltimore, Boston, Chicago, Los Angeles, and New York were the sites selected in a competitive process. The public and assisted housing projects targeted in those cities are located in census tracts in which at least 40 percent of the people were living in poverty in 1989.

Random Assignment

HUD has implemented a carefully controlled experimental design for MTO to definitively answer questions about the immediate effectiveness of mobility counseling and about the long-term impacts for families who move to low-poverty communities.

Eligible participants in the demonstration were randomly assigned to one of three groups:

- The MTO experimental group, which received Section 8 certificates or vouchers usable only in tracts with less than 10 percent poverty, along with counseling assistance in finding a unit.
- A Section 8 comparison group, which received regular Section 8 certificates or vouchers with no special geographical restrictions or counseling.
- An in-place control group, which would continue to receive project-based assistance.

Random assignment is a necessary element of MTO. It ensures that there will not be any systematic differences between the members of these groups. Random assignment began in late 1994 in Boston and concluded in late 1998 in Los Angeles.

Who Volunteered for the Experiment?

HUD's Office of Policy Development and Research (PD&R), which supervised this experiment, has analyzed the characteristics of the applicant population relative to other

families in the same public housing projects in Baltimore, Boston, Los Angeles, and New York. (Chicago data were inadequate for this purpose. PD&R also did not analyze the applicant population from Section 8-assisted projects.) Exhibit 1 summarizes the findings.

Exhibit 1

Characteristics of Moving to Opportunity (MTO) and Non-MTO Families From the Same Public Housing Developments: Baltimore, Boston, Los Angeles, and New York

Characteristic	Households	
	MTO (N = 2,414)	Non-MTO (N = 6,813)
Black non-Hispanic (%)	54	51
Hispanic (%)	39	45
Average age of head of household (yr)	35	41
Average children under 18 (n)	2.5	2.3
Average size of household (n)	3.7	3.7
Receiving AFDC or TANF (%)	75	51
Employed (%)	22	30
Average family income (\$)	9,365	10,769

Source: Goering et al., 1999 (table 5)

The primary motivation of the applicants was “getting away from drugs and gangs.” This was listed as the first or second reason for applying by more than three-fourths of the applicants who reported extremely high victimization rates. In the 6 months prior to random assignment:

- One-fourth of early applicants reported that family members had had a purse, wallet, or jewelry snatched.
- Members of one-fourth of applicant families had been threatened with a knife or gun.
- Nearly one-fourth had been beaten or assaulted.
- One-tenth had been stabbed or shot.
- More than one-fourth reported an actual or attempted break-in (Feins, 1997).

Secondary reasons for applying included to acquire bigger or better apartments and to send their children to better schools.

Exhibit 2 shows the allocation of random assignment in all sites to the three groups over time.

Implementation of MTO

Housing vouchers are designed to support low-income families in the American housing market. Tenants live where they wish, and landlords rent to whom they wish. HUD’s principal constraints are that the total rent must be reasonable, relative to rents for comparable unassisted units, and that the unit must meet minimum housing quality standards. But from the beginning of the demonstration, there has been skepticism that the residents

Exhibit 2

Moving to Opportunity (MTO) Final Random Assignment Totals

Year	MTO Treatment Group	Section 8 Comparison Group	In-Place Control Group	Total
1994	227	85	142	454
1995	612	235	380	1,227
1996	366	418	418	1,202
1997	525	475	371	1,371
1998	90	137	129	356
Total	1,820	1,350	1,440	4,610

Source: Goering et al., 1999 (table 2)

of high-poverty projects would be able to find units of standard quality in better neighborhoods where their tenancies would be acceptable both to the owners and to themselves.

The implementation of MTO required a partnership at each site between a public housing agency (PHA) and one or more nonprofit organizations (NPOs). The NPOs were responsible for recruiting the owners of units in low-poverty census tracts, for teaching participants in the treatment group how to look for housing in those areas that would meet their individual needs, for transporting them to some initial visits, and for helping them solve problems that might prevent them from being accepted by an owner. The most common personal problem was bad credit. Some NPOs were also able to help with moving costs, utility deposits, and the like. The participating NPOs were:

- Baltimore: Community Assistance Network.
- Boston: Metropolitan Boston Housing Partnership.
- Chicago: Leadership Council for Metropolitan Open Communities, Chicago Housing Assistance Corporation.
- Los Angeles: Fair Housing Congress of Southern California, Beyond Shelter, On Your Feet.
- New York: Northern Manhattan Improvement Corporation.

The cost of counseling was shared by HUD and by local sources, which often included the PHA. MTO counseling costs are detailed in exhibit 3.

Exhibit 4 shows the lease-up rates for families in the treatment group, with geographically restricted housing assistance and counseling help, and for families in the Section 8 comparison group, who did not receive any special counseling but also were not limited in the areas in which they could use their vouchers.

By deliberate design, MTO experimental families were widely dispersed. The whole point of the demonstration would have been lost if a new cluster of poverty was created wherever the experimentals appeared. Exhibit 5 presents information on the incidence of MTO experimental families who moved to low-poverty census tracts. (Census tracts have a population size between 2,500 and 8,000 people and average about 4,000 people.)

Exhibit 3

Moving to Opportunity (MTO) Counseling Costs

	Baltimore	Boston	Chicago	Los Angeles	New York	All Sites
Total cost of MTO counseling (\$)	485,581	668,762	568,971	612,907	428,375	2,795,438
Percentage from HUD	54	84	86	82	100	81
Other sources	PHA, local foundation	State & local agencies	PHA	PHA	None	
Start-up costs (\$)	20,067	30,482	40,383	30,915	24,008	146,215
Lease-ups (<i>n</i>)	146	170	156	208	180	860
Net cost per lease-up ^a (\$)	3,188	3,934	3,388	2,798	2,246	3,077
Net cost to HUD per lease-up ^a (\$)	1,737	3,315	2,922	2,297	2,246	2,505
Net cost to HUD per family counseled (\$)	1,007	1,540	987	1,405	1,008	1,185

^a Does not include start-up costs.

Source: Goering et al., 1999 (table 4)

What Has MTO Told Us So Far?

MTO has been successfully implemented in five metropolitan areas. We have learned that it is possible to enable substantial numbers of low-income families living in subsidized housing developments in distressed inner-city neighborhoods to relocate to low-poverty neighborhoods using tenant-based Section 8.

HUD also made a series of small grants to independent academic researchers to study some of the early effects of MTO. Findings from four of these papers are summarized below. Because the papers have not been published as of this writing, we recommend contacting the authors before quoting these results.

As a general rule, the effects of moving to a low-poverty neighborhood are about twice as large as the differences reported here, because about one-half of the families—who were provided with MTO vouchers that they could use only if they moved to a low-poverty neighborhood—did not lease up. Thus, they remained in high-poverty neighborhoods but, for research purposes, are nonetheless members of the “treatment” group.

Lawrence F. Katz, Jeffrey R. Kling, and Jeffrey B. Liebman, “The Early Impacts of Moving to Opportunity in Boston: Final Report to the U.S. Department of Housing and Urban Development,” January 2000.

Affiliations: Katz, Harvard; Kling, Princeton; Liebman, Harvard. Studies 540 households living in high-poverty Boston public housing. They were surveyed an average of 2 years after entering the experiment. No comparison group households who moved using a program voucher were living in a high-poverty neighborhood at the time of the Boston Follow-up Survey, 1 to 3 years after random assignment. Similarly, although all experimental families who moved through MTO could relocate without geographic restriction after 1 year (and many did), none had returned to a high-poverty neighborhood at the time of the followup.

Exhibit 4**Moving to Opportunity (MTO) Lease-Up Counts and Rates**

Site	MTO Experimental Group	Section 8 Comparison Group
Baltimore		
Randomly assigned (<i>n</i>)	252	188
Leased up (<i>n</i>)	146	136
Leased up (%)	58	72
Boston		
Randomly assigned (<i>n</i>)	366	269
Leased up (<i>n</i>)	170	128
Leased up (%)	46	48
Chicago		
Randomly assigned (<i>n</i>)	461	202
Leased up (<i>n</i>)	156	133
Leased up (%)	34	66
Los Angeles		
Randomly assigned (<i>n</i>)	340	305
Leased up (<i>n</i>)	208	230
Leased up (%)	61	75
New York		
Randomly assigned (<i>n</i>)	401	386
Leased up (<i>n</i>)	180	189
Leased up (%)	45	49
Total		
Randomly assigned (<i>n</i>)	1,820	1,350
Leased up (<i>n</i>)	860	816
Leased up (%)	48	60

Source: Goering et al., 1999 (table 3)

Both experimental and comparison group households experienced increased safety, fewer behavioral problems among boys, and improved health of household heads relative to the control group.

■ Safety:

- Thirty-nine percent of the control group felt unsafe or very unsafe in the streets around their homes, but just 22 percent of the experimental group did.¹
- Thirty-six percent of the control group saw drug dealing or illicit drug use every week compared with 23 percent of the regular voucher group and 16 percent of the experimental group.
- Twenty-six percent of the control group had been victimized by property or personal crime in the past 6 months, compared with 14 percent of the regular voucher and experimental groups.

Exhibit 5

Dispersion of Experimental Families Who Moved

Site	Experimental Lease-ups (n)	Census Tracts to Which They Moved (n)	Average MTO Families Per 1,000 Households in Those Tracts (n)
Baltimore	146	56	1.26
Boston	170	78	0.97
Chicago	156	71	1.24
Los Angeles	208	96	0.93
New York	180	61	2.27

Source: Goering et al., 1999, pp. 34, 42

–Eight percent of control group children aged 6 to 15 had a nonsports injury requiring medical attention in the past 6 months compared with 4 percent of the experimental children.²

■ Behavioral problems among boys aged 6 to 15:³

–Thirty-five percent of control-group boys, according to their parents, had trouble getting along with teachers, compared with 24 percent of experimentals.

–Thirty-two percent of control-group boys were disobedient at home, compared with 21 percent of experimentals.

–Nineteen percent of control-group boys were “mean or cruel to others,” compared with 5 percent of experimentals (7 percent of the regular voucher group).

–Twenty-eight percent of control-group boys were “unhappy, sad, or depressed,” compared with 16 percent of experimentals (12 percent of the regular voucher group).⁴

■ Adult physical and mental health:

–Fifty-eight percent of control-group household heads felt their health was good or better; 69 percent of experimentals felt this way (76 percent of the regular voucher group).

–Forty-seven percent of control-group household heads felt calm and peaceful “a good bit of the time” or more often than that; 57 percent of experimentals felt this way (60 percent of the regular voucher group).

No statistically significant differences were noted in welfare use, employment, or earnings.

Jens Ludwig, Greg J. Duncan, and Paul Hirschfield, “Urban Poverty and Juvenile Crime: Evidence From a Housing-Mobility Experiment,” December 1999.

Affiliations: Ludwig, Georgetown; Duncan, Northwestern; Hirschfield, Northwestern. Studies juvenile arrest records of the Maryland Department of Juvenile Justice for children under 18 years old among the 638 households in the Baltimore MTO sample through March 1999. Fifty-four percent of the experimental group leased up; 73 percent of the regular voucher group leased up.

The incidence of arrests for violent crime among boys aged 11 to 16 in the control group is 61 per 100 boys. The regression-adjusted impact of being in the experimental group is -45 , (that is, holding all other factors constant, the incidence would fall from 61 per 100 to 16 per 100). The impact of being in the comparison group is -32 (not quite statistically significant).

The authors caution that they observe an increase in property crime arrests among the experimental group boys, but that it may be a temporary phenomenon.

Jens Ludwig, Greg Duncan, and Joshua Pinkston, "Housing Vouchers and Economic Self-Sufficiency: Evidence From a Randomized Experiment," November 1999.

Affiliations: Ludwig, Georgetown; Duncan, Northwestern; Pinkston, Northwestern. Studies welfare system data through August 1998 and earnings data from Unemployment Insurance system through the first quarter of 1999 for the same 638 families. Welfare receipt fell for all three groups after random assignment as both parents and children aged, but receipt of welfare fell faster for the experimental group. (They find that regular vouchers did not make a difference.)

- Sixty-four percent of both the control and the experimental group families started out on welfare in the quarter of random assignment.
- Five quarters later, 60 percent of the controls were getting welfare compared with only 51 percent of the experimentals.
- Nine quarters later, 52 percent of the controls were on welfare compared with only 41 percent of the experimentals.
- Thirteen quarters later, 47 percent of the controls were on welfare compared with only 34 percent of the experimentals.

Welfare system data show that welfare-to-work transitions account for most of the difference between the experimental and the control group (as opposed to other reasons for leaving welfare, such as marriage/cohabitation, eligibility of children, or compliance with program rules).

- Unemployment Insurance (UI) data do not support this finding, but the authors note that UI coverage limitations may be responsible for this.

Tama Leventhal and Jeanne Brooks-Gunn, "Moving to Opportunity: What About the Kids?" March 1, 2000.

Affiliation: Columbia. Studies 293 families in New York City. They were interviewed on average 3 years after random assignment. Found significant differences in exposure to violence, mothers' health, child physical and mental health.⁵ Exposure to violence: 29 percent of in-place controls had been subject to muggings, threats, beatings, stabbing, or shooting in the previous 6 months, compared with 28 percent of the regular voucher group and just 16 percent of the experimental group.

- Mothers' mental health:
 - Fifty-one percent of in-place controls were unhappy, sad, or depressed compared with 33 percent of experimentals.
 - Thirty-seven percent of controls reported "nervousness or shakiness inside," 18 percent complained of "trembling," and 24 percent of "heart racing or pounding." The corresponding figures for the experimental group were 15, 5, and 13 percent, respectively.

■ Parenting:

- By their own reports, 80 percent of parents in the experimental group had weekend curfews that their children observed; 65 percent of the controls did.
- Sixty-two percent of experimental group parents assigned household chores and their children performed them; 44 percent of controls did.

Children's mental health: 53 percent of in-place control children reported feeling unhappy, sad, or depressed; 35 percent of regular voucher children and 30 percent of experimental children reported those feelings.

MTO Long-Term Research Strategy

Interim Evaluation

The Office of Policy Development and Research (PD&R) is currently procuring a contract that will systematically determine the outcomes for families who have been in the demonstration for approximately 3 to 5 years.

There are six core sets of possible outcomes for MTO participants that will be examined. MTO participants will be compared with members of the Section 8 control group and the In-Place control groups to see how they compare on:

- Educational achievement.
- Employment and earnings.
- Delinquency and criminal behavior.
- Health status.
- Receipt of cash assistance, such as Temporary Assistance for Needy Families (TANF).
- Continued receipt of housing assistance.

This study is currently under procurement. We expect work under this contract to begin in June 2000. This contract will be 21 months long, so that the final report will be available in February 2002.

Final Evaluation

HUD expects to track MTO demonstration families for about 10 years after their enrollment in the demonstration and to conduct research on long-term effects.

Researchers expect that moving to low-poverty neighborhoods will have some short-term impacts. However, they expect that the most important benefits will accrue to the children of the families who move to better neighborhoods. Thus, it is necessary to allow a decade or so to elapse so that we can measure the economic and educational effects on MTO children.

Related HUD Programs

Information on the following HUD mobility research programs is available on the HUD Web site at www.hud.gov. The programs listed are not available everywhere in the United States.

- **HOPE VI** addresses severely distressed public housing development. A typical HOPE VI project will demolish part or all of the development, provide Section 8 vouchers to some or all of the residents, and physically replace part of the demolished structure with a modernized and secure facility.
- **Regional Opportunity Counseling** provides housing search assistance to Section 8 voucher families of the same type as that provided to the experimental group in MTO. Unlike MTO, there is no geographic restriction on voucher use, and participation in the program is entirely voluntary.
- **Welfare to Work Vouchers** are provided by housing authorities to current and recent welfare recipients or to families eligible for welfare if, in the judgment of the housing authority, the support of the voucher is critical to obtaining or retaining employment. This is a new program, but one of the leading anticipated uses is to help low-income families move closer to employment opportunities. A controlled experimental evaluation of this program is being implemented.
- **Bridges to Work** is a controlled experiment jointly funded with the U.S. Department of Transportation and private foundations. Low-income inner-city workers in the treatment group receive job training and subsidized transportation to suburban job sites.
- **The Section 8 Management Assessment Program (SEMAP)**, which is HUD's instrument for monitoring and improving the management of the 1.5 million housing vouchers, requires PHAs that administer the voucher program to take a variety of steps to encourage the use of housing subsidies outside of areas of poverty and minority concentration and awards bonus points for success in moving families with children to areas of low poverty.

Author

Mark Shroder is an economist with the Office of Policy Development and Research, U.S. Department of Housing and Urban Development. He received his Ph.D. from the University of Wisconsin-Madison in 1991. He is the author, with David Greenberg, of The Digest of Social Experiments, published by Urban Institute Press, and of a related article with Greenberg and Matt Onstott in the Journal of Economic Perspectives. He has published theoretical and empirical articles on income redistribution in Federal systems, rental assistance, rent/commuting tradeoffs for tenants of different races, and the Real Estate Settlement Procedures Act.

Notes

1. The difference was insignificant for the regular voucher group.
2. The difference was insignificant for the regular voucher group.
3. Unless otherwise noted, the regular voucher group did not have significant differences.
4. Differences for girls were usually insignificant. Girls in the experimental group were less likely to have close friends in the neighborhood or to participate in extracurricular activities than girls in the control group.
5. Unless noted, differences between regular vouchers group and in-place controls are not statistically significant.

References

Judith Feins, "MTO Baseline Tables," paper presented at the conference Choosing a Better Life: The Moving to Opportunity Demonstration, Washington, DC, November 20–21, 1997.

John Goering, Joan Kraft, Judith Feins, Debra McInnis, Mary Joel Holin, and Huda Elhassan, *Moving to Opportunity for Fair Housing Demonstration Program: Current Status and Initial Findings*, September 1999.

