

Barriers to Work Among Recipients of Housing Assistance

Mary Corcoran
Colleen Heflin
Poverty Research and Training Center
University of Michigan School of Social Work

Abstract

This article describes how current and former welfare recipients receiving housing assistance differ from those not receiving assistance on various potential barriers to employment. The authors evaluate whether housing-assisted welfare recipients have different welfare and employment outcomes compared with unassisted welfare recipients. They examine eight outcomes: whether employed, whether on welfare, whether sanctioned, whether left a job, months on welfare, months employed, the number of hours worked, and the natural log of wages. They find more similarities than differences between women who receive housing assistance.

In the authors' multivariate analysis, they find housing assistance is not associated with the probability of receiving welfare or being sanctioned for noncompliance with the work requirement. Additionally, they find that support for the relationship between housing assistance and work outcomes is weak. Housing assistance has no effect on the probability of being employed, the natural log of weekly earnings, the percentage of months observed working, or the percentage of months observed receiving welfare. The authors find weak support for the role of vouchers in fostering attachment with employers and the role of public housing residence in increasing the number of hours worked on all jobs.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 ended the federal guarantee of cash assistance and replaced the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program. A woman who moves from welfare to work will have higher net income if she receives housing assistance than a similar woman who does not. However, if women receiving housing assistance face more barriers to employment than the average welfare recipient, they may be less likely to leave welfare for work than women who do not receive housing assistance.

For the research reported in this article, we used a longitudinal data set to evaluate how current and former welfare recipients receiving housing assistance differ from those not receiving assistance on various “undiagnosed” potential barriers to employment. Our research sought to answer the following questions:

- What part of the welfare population receives housing assistance—those with the greatest barriers to employment or those with the least? Those with short-term welfare histories or those with long-term receipt? What are the differences between renters living in public housing and renters receiving tenant-based housing assistance?
- Are individuals receiving housing assistance less likely to be receiving welfare 2 years after being observed on the welfare rolls? Are housing assistance recipients more likely than other welfare recipients to be sanctioned for noncompliance with the federal work requirement?
- Are individuals receiving subsidized housing more likely to obtain employment than those in private housing? Once working, are housing assistance recipients more likely to lose their jobs? Do housing assistance recipients earn more money and work more hours than their unassisted counterparts?

This article provides information on the housing assistance population not available elsewhere, such as rates of mental health problems and domestic violence. By understanding the barriers recipients of housing assistance face, policy analysts can design interventions to help them reach self-sufficiency. This article also shows the effects of housing assistance on welfare and employment outcomes.

Housing Assistance and Welfare Receipt

The U.S. Department of Housing and Urban Development (HUD) administers two federally funded housing assistance programs for low-income families: public housing and tenant-based assistance. Public housing projects are owned and operated by local public housing authorities (PHAs). In 1997, 1.2 million households lived in public housing units. Tenant-based assistance is a portable subsidy that comes in the form of housing assistance vouchers or certificates; recipients can use the subsidy in the private housing market, affording them a greater range of housing choices. In 1997, 1.4 million families received housing assistance vouchers or certificates (Kingsley, 1998; Sard and Daskal, 1998). The federal government spends more on housing assistance than on welfare provisions: In fiscal year 1995, \$19 billion went to housing assistance programs, \$7 billion more than went to AFDC (Kingsley, 1998).¹

Considerable overlap exists between the welfare- and housing-assisted populations. In 1996, among the housing-assisted population, roughly one in four families also received welfare, ranging from 16 percent in South Dakota to 36 percent in Hawaii. Conversely, among the welfare population, approximately one in four families also received housing assistance, although this also varied widely among states, from one in nine in Michigan to more than one in two in North Dakota (Khadduri, Shroder, and Steffen, 2001). Kingsley and Tatian (1997) used HUD’s “A Picture of Subsidized Households” (APSH) data from 1995–96 to look at the concentration of housing assistance and the concentration of welfare recipients receiving housing assistance from HUD. Although 21 percent of HUD-assisted households received most of their income from welfare, this figure ranged from 11 to 36 percent in different metropolitan areas.² Households receiving both welfare and housing assistance were concentrated spatially in some cities, but in other cities they were not. The urban county from which this study’s sample was derived fits the stereotype of a concentration of housing assistance in distressed inner-city neighborhoods.

The ability of housing-assisted welfare recipients to move from welfare to work has important budgetary implications for PHAs. If women exceed the state's time limit for receiving cash assistance and have their benefits reduced or eliminated, PHAs are obligated to increase their housing subsidy to compensate for the loss in income. However, few agree on the likely effect of welfare reform on housing expenditures. In a review of 13 studies conducted by the U.S. General Accounting Office (GAO) (1998), budgetary impact estimates ranged from a deficit of 42 percent to a surplus of 20 percent. GAO concluded that forecasting welfare reform's financial impact on housing subsidy programs is extremely difficult owing in part to the difficulty of predicting welfare recipients' employment and wage prospects.

Evidence demonstrating the success of moving housing-assisted welfare recipients to work is mixed. Among public housing residents nationally, the percentage of heads of households who reported no earned income fell from 34 percent in the first quarter of 1997 to 25 percent in the first quarter of 1999; the percentage of heads of households with earned income and no cash assistance rose from 36 percent to 41 percent during the same period. Nationally, the proportion of heads of households living in public housing who combined work and welfare remained constant at 4 percent (Khadduri, Shroder, and Steffen, 2001).³ Thus earned income is increasing and cash assistance from welfare is decreasing among public housing residents. However, without a comparison group, few conclusions about the role of housing assistance in this transition can be drawn from these trends. A handful of studies have tried to directly estimate the effect of housing subsidies on the employment and welfare outcomes of welfare recipients. Boushey and Ding (2001b) found that in New York City public housing residents receive welfare for longer durations than the average welfare recipient. In another study, Boushey and Ding (2001a) found that employment durations have increased among New York City public housing residents since the implementation of welfare reform in 1995. However, they also found that women who began working after welfare reform received lower starting wages than those who began before welfare reform. They speculated that the housing subsidy and the availability of onsite daycare centers may help women in public housing remain employed.

Using a California welfare sample chosen before welfare reform, Ong (1998) found that residence in public housing was not a disincentive to employment, but Section 8 recipients worked considerably more than unassisted renters or public housing residents. Somewhat similar effects were found by Miller (1998) in an evaluation of the Minnesota Family Investment Program and by Blank and Riccio (2001) in an evaluation of the Job Opportunities and Basic Skills training intervention in Atlanta and Columbus, all conducted by Manpower Demonstration Research Corporation (MDRC). In those studies, welfare recipients receiving either public housing or Section 8 benefits experienced large increases in employment and earnings compared with those who received no housing assistance.

A related line of research examines structural characteristics of the geographic locations in which housing-assisted populations reside and their effects on employment outcomes. For example, a 1998 HUD study (HUD, 1998) found that spatially concentrated housing residents are at a distinct disadvantage because they cannot choose a residence close to childcare options, work, or transportation. They estimated a neighborhood-level worker-to-job ratio for residents of Cleveland, Columbus, and Toledo ranging from 1 to 76 seekers per job, depending on the city and neighborhood. Similar findings were reported by Allard and Danziger (2000) and Blumenberg and Ong (1998).

This research builds on early efforts to describe individual (as opposed to structural) barriers to employment among the housing-assisted welfare population following the welfare

reform era. Previous research has established that welfare recipients who received some form of housing assistance had smaller families, had longer welfare spells, were more likely to be members of a minority group, and were less likely to be employed than recipients without housing assistance (Newman and Harkness, 1997; Blank and Riccio, 2001). Sard and Daskal (1998) hypothesized that these differences existed because families often languish on waiting lists for more than a year before receiving housing assistance. Thus those who successfully attain housing assistance are likely to have had very low incomes for an extended period, perhaps indicating that they are poorer, less skilled, and face more barriers to employment than their unassisted counterparts.

The few studies examining characteristics of housing-assisted welfare recipients only narrowly describe the population and do not associate individual characteristics with work outcomes. Other individual characteristics have recently received attention in the welfare literature (Loprest and Acs, 1995; Brooks and Bruckner, 1996; Olson and Pavetti, 1996; Loprest and Zedlewski, 1999; Zedlewski, 1999; Danziger et al., 2000). These studies identify several barriers that may reduce the ability of welfare recipients to retain jobs and reduce their wage growth: low education, little work experience, a lack of the basic skills demanded by employers, workplace discrimination and harassment, physical and mental health problems, alcohol and drug dependence, and domestic violence. Many of these barriers were ignored before the 1996 reform of welfare and still have not been incorporated into studies that try to predict how the move from TANF to work differs between those who receive and those who do not receive housing assistance.

Methods and Data

We analyzed data from the Women's Employment Study (WES), a panel survey of barriers to employment among 753 mothers who were receiving cash assistance in an urban Michigan county in February 1997. Trained staff at the Survey Research Center at the University of Michigan conducted face-to-face, in-home, structured interviews lasting approximately 1 hour between September and December 1997 and again in fall 1998. Women were eligible if they resided in the county, received cash assistance in February 1997, were single parents and U.S. citizens between 18 and 54 years old, and claimed a racial identity of White or African American.

A simple random sampling scheme was used. Cases were systematically selected with equal probability from an ordered list of eligible single mothers. To derive a representative sample of the metropolitan area and the study population, cases were selected by ZIP code, race, and age. A response rate of 86.2 percent was calculated by dividing the completed interviews ($n = 753$) by the sample cases ($n = 874$). Excluded nonsample cases ($n = 26$) included instances in which the person resided outside the county, no housing unit existed at the reported address, or the person was institutionalized for the duration of the data collection period. The response rate at wave 2 was 92 percent.⁴

We obtained administrative data from HUD and thus did not need to rely on self-reports of housing assistance, which have been shown by Shroder and Martin (1996) to be unreliable. Exhibit 1 demonstrates the high rate of both false positives and false negatives obtained by self-reported data for all renters ($n = 491$) in the wave 2 WES survey.

- In response to the question, "Is this building owned by a public housing authority?" only 12 respondents correctly identified themselves as living in public housing. Fourteen respondents answered that they were not public housing residents when they were, and about 60 women reported living in public housing when they did not. Of the false positives, half received housing assistance in the form of certificates or vouchers, but the remaining 30 were unassisted.

Exhibit 1

HUD Administrative Data Versus Women's Employment Survey (WES) Self-Reports of Housing Assistance Receipt

| Variable | Public Housing | Government Agency Pays Some Cost of Unit | Report Income To Set Rent |
|--------------------|----------------|--|---------------------------|
| HUD and WES match | 12 | 62 | 72 |
| WES false negative | 14 | 43 | 33 |
| WES false positive | 60 | 53 | 46 |
| True negative | 405 | 333 | 340 |

N = 491 renters at wave 2.

- In response to the question, “Does a government agency pay some of the cost of the unit?” 62 women correctly reported that the government paid some of the cost of their housing. A total of 43 women answered that the government did not pay when it did, and 53 reported that the government paid when it did not.
- Finally, we asked, “Do you have to report the household’s income to someone every year so they can set the rent?” This question yielded 72 correct affirmative responses but still had 33 false negatives and 46 false positives.

Descriptive Results

Exhibit 2 shows substantial differences in the self-reported rents paid by three groups: unassisted households in the private market, Section 8 renters, and public housing residents. Unassisted renters paid the most for housing; their rents averaged almost \$300 per month compared with Section 8 renters on the low end of the scale, who paid an average of \$220. Women in public housing had, on average, the largest households and the most bedrooms, and Section 8 renters had the smallest households and the fewest bedrooms. On average, the person-to-bedroom ratio ranged from 1.48 for Section 8 recipients to

Exhibit 2

Reported Rents

| Variable | Unassisted | Section 8 | Public Housing | <i>P</i> |
|--|------------|-----------|----------------|----------|
| <i>n</i> | 581 | 78 | 28 | |
| Mean monthly rent (\$) | 293 | 220 | 263 | <.001 |
| Distribution by rent level (%) | | | | <.001 |
| \$0–200 | 25 | 52.6 | 28.6 | |
| \$201–400 | 58.2 | 33.3 | 64.3 | |
| \$401+ | 16.9 | 14.4 | 7.1 | |
| Mean bedrooms (<i>n</i>) | 2.8 | 2.6 | 3.2 | <.05 |
| Mean individuals in household (<i>n</i>) | 4.3 | 3.8 | 5.1 | <.01 |
| Person-to-bedroom ratio | 1.65 | 1.48 | 1.67 | <.05 |
| Households with ratio >2.0 (%) | 15.7 | 9.0 | 14.3 | |
| Mean monthly income (\$) | 1,507 | 1,185 | 1,242 | <.05 |
| Housing cost >30% of income (%) | 36.8 | 29.5 | 40.7 | |
| Housing cost >50% of income (%) | 11.2 | 12.8 | 18.5 | |

N = 693.

1.67 and 1.65 for public housing and unassisted renters, respectively. Approximately 15 percent reported person-to-bedroom ratios of more than 2.0 in unassisted and public housing, whereas only 9 percent of Section 8 recipients met this definition.

Because rent for recipients of housing assistance is determined by income level, public housing residents pay more rent than Section 8 recipients. A significant proportion of each group spent a disproportionate share of its income on housing—4 out of 10 public housing and unassisted renters and 3 out of 10 Section 8 recipients spent 30 percent or more of their monthly household income on housing. Even more striking, 19 percent of public housing residents, 13 percent of Section 8 recipients, and 11 percent of unassisted renters spent more than 50 percent of their total monthly household income on housing. Families that spend a disproportionate share of their income on housing are especially vulnerable to changes in income.

Public housing residents had significantly longer welfare histories than either Section 8 recipients or unassisted renters (see exhibit 3). Public housing residents averaged 3.6 more years of cumulative welfare receipt and were more likely to receive welfare for more than 5 years, the current federal limit. They were also more likely to have received welfare while growing up (a nonsignificant result, nonetheless) and for a significantly longer period of time—of the 57 percent who reported receiving welfare while growing up, half reported receiving it half of the time or more. This result is consistent with previous research on welfare duration among housing-assisted populations (Newman and Harkness, 1997; Blank and Riccio, 2001).

Exhibit 4 shows few statistically significant differences in employment barriers among women in the three groups. In general, Section 8 renters appear to have some human capital advantages over the other groups, although only differences in education level reached statistical significance. Section 8 renters were also the least likely to lack a driver’s license and/or a car, whereas almost half of public housing renters lacked adequate transportation. Although public housing residents appear to have worse health than unassisted renters, these results are not statistically significant. Section 8 renters were significantly less likely to have a child with a physical, mental, or learning problem. Women in public housing were less likely to report recent incidences of domestic violence, although differences among the three groups were not statistically significant.

Surprisingly few mental health differences were found. Section 8 renters were advantaged in every category except one: They were most likely to meet the criteria for alcohol dependence. An interesting but nonsignificant finding is that public housing renters were

Exhibit 3

Welfare History by Housing Assistance Status

| Variable | Unassisted | Section 8 | Public Housing | P |
|--|------------|-----------|----------------|------|
| Average time on welfare (years) | 7.3 | 7.2 | 10.8 | <.01 |
| Distribution by welfare history (%) | | | | |
| <3 years | 19.1 | 24.4 | 10.7 | <.05 |
| 3–5 years | 27.4 | 20.5 | 7.1 | |
| >5 years | 53.5 | 55.1 | 82.1 | |
| Received welfare while growing up (%) | 44.3 | 46.8 | 57.1 | |
| Half-time or more | 22.3 | 28.6 | 50.0 | <.01 |

N = 693.

Exhibit 4

Individual Barriers to Employment by Housing Assistance Status, Fall 1998 (%)

| Barrier | Unassisted | Section 8 | Public Housing | P ^a |
|---|------------|-----------|----------------|----------------|
| Human capital characteristics | | | | |
| Less than high school education | 32.5 | 21.2 | 35.5 | <.10 |
| Less than four work skills previously used | 15.0 | 7.7 | 14.3 | |
| Low work experience | 12.3 | 6.5 | 14.3 | |
| High experience of workplace discrimination | 17.2 | 23.1 | 17.9 | |
| Lacks car and/or driver's license | 35.6 | 25.6 | 46.4 | <.10 |
| Physical health problem | | | | |
| Mother | 20.8 | 23.1 | 28.6 | |
| Child | 19.6 | 5.1 | 17.9 | <.01 |
| Domestic violence | 15.8 | 16.7 | 7.1 | |
| Mental health | | | | |
| Major depression | 16.2 | 19.2 | 14.3 | |
| Post-traumatic stress disorder | 14.8 | 12.8 | 7.1 | |
| Social phobia | 7.5 | 7.7 | 7.1 | |
| Alcohol dependence | 1.0 | 3.8 | 0.0 | <.10 |
| Drug dependence | 2.0 | 2.6 | 3.6 | |

N = 693.

^aStatistical significance from χ^2 -test of independence.

half as likely to meet the criteria for post-traumatic stress disorder as unassisted renters. Given the dangerous neighborhoods and personal traumas often associated with public housing projects, this finding is quite intriguing.

Next, we examined whether the three groups of women differed in their cumulative barriers to employment (see exhibit 5). Research done by Danziger and colleagues (2000) has shown an association between the number of personal barriers a woman has and a lowered probability of employment. We were interested in determining whether a handful of women in public housing had multiple barriers and therefore accounted for the bulk of all barriers to employment. We found that public housing residents had slightly more barriers and Section 8 renters slightly fewer barriers than women in the private market, and that differences in barriers to employment among the three groups were marginally statistically significant ($P < .10$). Thus we find some support for the hypothesis that a handful of women in public housing have multiple (five or more) barriers to employment. We also find that Section 8 recipients have significantly fewer barriers to employment than their unassisted counterparts.

Ong (1998) found that AFDC recipients who also received Section 8 benefits were most likely to be working but that unassisted women worked the most hours. Exhibit 6 shows that patterns of employment outcomes look very different in the post-TANF world. First, the majority of women in all three groups were likely to be employed at a point in time: Approximately two-thirds of each group reported working in the month before the interview. Second, women receiving either form of housing assistance were just as likely to be working as the unassisted women, and the average work hours of employed women did not vary significantly by housing assistance status. In fact, although the differences are not statistically significant, residents of public housing were working slightly more hours per week on all jobs than either Section 8 renters or unassisted women.

Exhibit 5

Proportion of Cumulative Barriers to Employment by Housing Assistance Status

| Barriers to Employment* (n) | Unassisted | Section 8 | Public Housing |
|-----------------------------|------------|-----------|----------------|
| 0 | 24.9 | 27.9 | 28.6 |
| 1 | 28.2 | 37.7 | 21.4 |
| 2 | 16.3 | 20.8 | 25.0 |
| 3 | 13.8 | 3.9 | 3.6 |
| 4 | 8.3 | 7.8 | 7.1 |
| 5+ | 8.5 | 2.6 | 14.3 |

N = 693. P = .087, statistical significance from c²-test of independence.

*Based on 13 barriers listed in exhibit 4.

Multivariate Results

We used wave 2 WES data to determine the extent to which the barriers to employment and housing situation measured at wave 2 inhibited or improved chances of voluntarily leaving welfare, having benefits involuntarily terminated (being sanctioned), obtaining jobs, and sustaining employment between February 1997 and October 1999. We examined eight outcomes: whether employed at wave 2, whether on welfare at wave 2, whether sanctioned between waves 1 and 2, whether left a job between waves 1 and 2, months on welfare between February 1997 and October 1999, months employed between February 1997 and October 1999, the number of hours worked on all jobs at the wave 2 interview, and the natural log of wages at wave 2. Using these WES data, we estimated equation 1:

$$Y_{i, 2} = bc_{i,1} + dH_{i,1} + e_i$$

where $Y_{i, 2}$ = employment (or welfare) outcomes at wave 2; $c_{i,1}$ = a vector of individual characteristics, including demographic characteristics, barriers to employment, and welfare and work history up until wave 2; and $H_{i,1}$ = housing situation at wave 2.

Equation 1 relates an individual's work (or welfare) outcomes measured at wave 2 to the measures of her individual characteristics measured at wave 2 (race, age, welfare history, and barriers to employment) and to her housing situation at wave 2. Using logistic

Exhibit 6

Employment Outcome, Fall 1998

| Hours Worked | Unassisted | Section 8 | Public Housing |
|---------------------|------------|-----------|----------------|
| Distribution | | | |
| Unemployed | 34.8 | 35.1 | 39.3 |
| 0-19 | 3.1 | 3.9 | 0.0 |
| 20-34 | 21.3 | 26.0 | 7.1 |
| 35+ | 40.8 | 35.1 | 53.6 |
| Average | | | |
| Including zeros | 21.8 | 20.8 | 22.6 |
| Excluding zeros | 36.7 | 35.4 | 41.2 |

N = 693.

Note: Differences between groups are not statistically significant.

regression, we estimated equations predicting whether the individual was employed at wave 2, left a job between waves 1 and 2, was on welfare at wave 2, and was sanctioned between waves 1 and 2. We also estimated equations predicting the percentage of months employed (or on welfare) between February 1997 and October 1999, hours worked, and wages at wave 2 using ordinary least squares (OLS) regression.⁵

As in our descriptive analysis, we measured housing situation first in terms of whether the women received any form of housing assistance (model 1). Then we expanded the definition to include no housing assistance, living in public housing, and receiving vouchers (model 2). Performing the analysis both ways allowed us to estimate the extent to which housing assistance improves the probability that a welfare recipient will find work, remain employed, and leave poverty as well as differential effects of the different housing programs.

Exhibit 7 presents logistic regression results for the two dichotomous welfare outcomes examined—whether respondents were receiving welfare at the time of the fall 1998 interview and, given TANF receipt since fall 1997, the probability of their being sanctioned. Housing assistance was not associated with welfare receipt in fall 1998—a finding that holds true whether we control for housing assistance in general or whether we distinguish between public housing residents and Section 8 recipients. This result suggests that housing assistance does not negatively or positively affect the probability that women on welfare will exit.

In addition, housing assistance status was not associated with being sanctioned in Michigan. Once again, this result holds true whether we control for housing assistance in general or whether we specify the type of housing assistance received. This finding suggests that recipients of housing assistance are no more likely to be sanctioned for noncompliance of the work requirement than unassisted women.

Exhibit 7

Logistic Regression Predicting Welfare Outcomes (*B* (SE))

| Variable | Receiving Welfare (<i>n</i> = 693) | | Sanctioned ^a (<i>n</i> = 471) | |
|---|-------------------------------------|------------------|---|------------------|
| | Model 1 | Model 2 | Model 1 | Model 2 |
| Assistance | | | | |
| Assisted | -0.050 (0.224) | | -0.200 (0.355) | |
| Public | 0.077 | (0.405) | | -1.618 (1.046) |
| Section 8 | -0.096 | (0.255) | | 0.133 (0.382) |
| Demographic characteristics | | | | |
| Race | 0.405** (0.165) | 0.405** (0.165) | 0.393 (0.259) | 0.398 (0.260) |
| Age 25–34 years | -0.556** (0.246) | -0.555** (0.246) | -0.857** (0.398) | -0.859** (0.398) |
| Age 35+ years | -0.415 (0.272) | -0.416 (0.272) | -0.959** (0.443) | -0.934** (0.445) |
| Cumulative welfare history ≥ 5 years | 0.146 (0.214) | 0.140 (0.214) | 0.316 (0.378) | 0.355 (0.379) |
| Barriers to employment (<i>n</i>) | | | | |
| 1 | 0.365* (0.214) | 0.369* (0.214) | 0.462 (0.409) | 0.431** (0.410) |
| 2–4 | 0.776** (0.203) | 0.776** (0.203) | 0.962** (0.367) | 0.953** (0.368) |
| 5+ | 1.481** (0.342) | 1.476** (0.342) | 1.440** (0.457) | 1.490** (0.460) |
| Constant | -0.519 (0.229) | -0.517 (0.2272) | -1.963 (0.399) | -1.992** (0.401) |
| Cox and Snell <i>R</i>² | 0.06 | 0.06 | 0.05 | 0.06 |
| -2 Log likelihood | 916.9 | 916.8 | 432.9 | 429.3 |

Note: *B* = barrier; SE = standard error.

^aModels run only on women who received welfare between fall 1997 and fall 1998.

P* < .10, *P* < .05.

Exhibit 8 presents logistic regression results for two dichotomous work outcomes—whether a woman worked 20 hours or more in fall 1998 and, given employment since fall 1997, the probability that she stopped working at any job. Again, housing assistance was not associated with the probability of being employed at a point in time; however, we found that Section 8 recipients were significantly less likely to leave a job than women not receiving housing assistance. Although this variable groups voluntary and involuntary job leaving, it suggests that Section 8 recipients may be more committed to their jobs than unassisted women, perhaps owing to supportive work programs or their geographic location.⁶

Exhibit 9 presents results of OLS regression on two continuous work-related outcomes—the natural log of weekly earnings and the total number of hours worked on all jobs.⁷ The data indicate that housing assistance is not associated with earnings. Contrasting the hours worked by all housing assistance recipients with nonrecipients also yields no association. However, public housing residents worked almost 5 more hours weekly than nonrecipients and Section 8 recipients worked almost 3 fewer hours ($P = .102$) after controlling for relevant demographic characteristics and other barriers to work.

Finally, exhibit 10 portrays the association between the percentage of months worked and on welfare from February 1997 (the date the sample was drawn) and October 1999. We found no association in either of these outcomes with housing assistance either generally defined or with contrasting types of housing assistance received. Once again, this finding suggests that no relationship exists between duration of welfare receipt or duration of employment and housing assistance in this geographic population.

Exhibit 8

Logistic Regression Predicting Working Outcome (*B* (SE))

| Variable | Working (<i>n</i> = 691) | | Stopped Working at Any Job ^a (<i>n</i> = 594) | |
|---|---------------------------|------------------|---|------------------|
| | Model 1 | Model 2 | Model 1 | Model 2 |
| Housing type | | | | |
| Assisted | -0.170 (0.237) | | -0.18 (0.241) | |
| Public | | 0.007 (0.436) | | 0.731 (0.474) |
| Section 8 | | -0.231 (0.268) | | -0.479* (0.274) |
| Demographics | | | | |
| Race | 0.056 (0.174) | 0.056 (0.174) | 0.119 (0.179) | 0.121 (0.179) |
| Age 25–34 years | -0.179 (0.260) | -0.179 (0.260) | -0.385 (0.262) | -0.377 (0.262) |
| Age 35+ years | -0.208 (0.287) | -0.210 (0.288) | -0.645** (0.292) | -0.641** (0.292) |
| Cumulative welfare history ≥ 5 years | 0.137 (0.225) | 0.129 (0.225) | -0.076 (0.228) | -0.118 (0.229) |
| Barriers to employment (<i>n</i>) | | | | |
| 1 | -0.727** (0.243) | -0.722** (0.243) | 0.364* (0.218) | 0.394* (0.220) |
| 2–4 | -1.345** (0.228) | -1.345** (0.228) | 0.912** (0.215) | 0.922** (0.216) |
| 5+ | -2.643** (0.375) | -2.651** (0.375) | 0.899** (0.432) | 0.890** (0.433) |
| Constant | 1.504 (0.259) | 1.508 (0.260) | 0.104 (0.235) | 0.112 (0.236) |
| Cox and Snell <i>R</i>² | 0.104 | 0.105 | 0.049 | 0.058 |
| -2 log likelihood | 841.9 | 841.9 | 787.6 | 781.8 |

Note: *B* = barrier; SE = standard error.

^aModels only run on individuals employed between fall 1997 and fall 1998.

* $P < .10$, ** $P < .05$.

Exhibit 9

Ordinary Least Squares Regression Predicting Work Outcome (*B* (SE))

| Variable | LN (Weekly Earnings) ^a (<i>n</i> = 582) | | Hours Worked on All Jobs ^b (<i>n</i> = 448) | |
|--------------------------------------|--|----------------|--|-----------------|
| | Model 1 | Model 2 | Model 1 | Model 2 |
| Housing type | | | | |
| Assisted | 0.102 (0.066) | | -0.945 (1.597) | |
| Public | | 0.085 (0.122) | | 4.920* (2.905) |
| Section 8 | | 0.108 (0.075) | | -2.928 (1.789) |
| Demographic characteristics | | | | |
| Race | 0.070 (0.049) | 0.070 (0.050) | 2.212* (1.139) | 2.227** (1.133) |
| Age 25–34 years | -0.011 (0.064) | -0.011 (0.064) | -1.278 (1.650) | -1.199 (1.641) |
| Age 35+ years | -0.132* (0.076) | -0.132 (0.076) | -1.260 (1.833) | -1.331 (1.823) |
| Cumulative welfare history ≥ 5 years | 0.049 (0.057) | 0.049 (0.058) | 3.168** (1.420) | 2.940** (1.416) |
| Barriers to employment | | | | |
| 1 | 0.049 (0.062) | 0.049 (0.062) | -2.195 (1.358) | -1.977 (1.353) |
| 2–4 | 0.043 (0.059) | 0.043 (0.059) | 1.045 (1.364) | 1.105 (1.357) |
| 5 | 0.076 (0.097) | 0.076 (0.097) | -5.500 (3.260) | -5.363* (3.243) |
| Constant | 5.278 (0.059) | 5.278 (0.059) | 35.407 (1.493) | 35.427 (1.485) |
| Adjusted R² | 0.008 | 0.007 | 0.021 | 0.032 |

Note: *B* = barrier; SE = standard error.

^aModels only run on individuals employed between fall 1997 and fall 1998.

^bModels only run on individuals with positive hours of work at fall 1998 interview.

P* < .10, *P* < .05.

Exhibit 10

Ordinary Least Squares Regression Predicting Percentage of Months Working and Receiving Welfare (*B* (SE))

| Variables | Months Working (<i>n</i> = 631) | | Months on Welfare (<i>n</i> = 692) | |
|--------------------------------------|----------------------------------|------------------|-------------------------------------|-----------------|
| | Model 1 | Model 2 | Model 1 | Model 2 |
| Housing type | | | | |
| Assisted | 0.008 (0.035) | | -0.020 (0.031) | |
| Public | | 0.047 (0.062) | | -0.034 (0.056) |
| Section 8 | | -0.007 (0.040) | | -0.015 (0.035) |
| Demographic characteristics | | | | |
| Race | 0.000 (0.025) | 0.000 (0.025) | 0.085** (0.023) | 0.085** (0.023) |
| Age 25–34 years | 0.033 (0.037) | 0.034 (0.037) | -0.076* (0.034) | -0.076* (0.034) |
| Age 35+ years | 0.010 (0.042) | 0.010 (0.042) | -0.087* (0.037) | -0.087* (0.037) |
| Cumulative welfare history ≥ 5 years | -0.014 (0.032) | -0.016 (0.033) | 0.033 (0.029) | 0.034 (0.029) |
| Barriers to employment | | | | |
| 1 | -0.049 (0.033) | -0.048 (0.033) | 0.037* (0.029) | 0.036* (0.029) |
| 2–4 | -0.179** (0.031) | -0.179** (0.031) | 0.126** (0.028) | 0.125** (0.028) |
| 5+ | -0.427** (0.049) | -0.429** (0.049) | 0.247** (0.044) | 0.248** (0.044) |
| Constant | 0.739 (0.035) | 0.740 (0.035) | 0.495 (0.031) | 0.495 (0.031) |
| Adjusted R² | 0.131 | 0.131 | 0.083 | 0.082 |

Note: *B* = barrier; SE = standard error.

P* < .10, *P* < .05.

Conclusion

Overall, we find more similarities than differences among current and former welfare recipients who do or do not receive housing assistance. Consistent with the recent findings of Manpower Demonstration Research Corporation (MDRC), we find that public housing residents have significantly longer histories of welfare receipt and were more likely to have received welfare as a child than unassisted renters. Women in public housing are much more likely to lack a driver's license and/or a car than unassisted or Section 8 renters.

We also find that public housing residents have lower levels of human capital than women in the private market, although only differences in the rate of high school completion are statistically significant. However, in terms of physical health, mental health, and domestic violence, we find no differences between public housing residents and unassisted renters. We find that women who receive Section 8 benefits are slightly more advantaged than either their public housing or unassisted counterparts in terms of their child's health. Furthermore, we find that housing assistance does not affect the cumulative number of barriers to employment. Given the degree of similarity in our sample, it is unsurprising that we find no difference in the raw rates of employment or the number of hours worked. Most women work, and the average number of hours worked is roughly 35 to 40 hours per week.

Furthermore, our multivariate analysis shows that housing assistance has no association with the probability of receiving welfare at a point in time or being sanctioned for non-compliance with the federal work requirement. In addition, support for the relationship between housing assistance and work outcomes is weak. Housing assistance has no effect on the probability of being employed, the natural log of weekly earnings, the percentage of months observed working, or the percentage of months observed receiving welfare. We find weak support for the role of vouchers in fostering attachment to employers and the role of public housing residence in increasing the number of hours worked on all jobs. These findings differ from those of Blank and Riccio (2001) and Ong (1998).

These findings can be interpreted in several ways. First, contrary to earlier findings of increased disadvantage among housing-assisted populations (Sard and Daskal, 1998), women who are able to negotiate the bureaucratic hurdles and waiting lists to make it onto housing assistance may be less disadvantaged than their cash-assisted counterparts who do not. This conclusion assumes that unmeasured characteristics related to an individual's ability to deal with institutional guidelines results in her selection into public housing and into employment and off welfare. Although we find no specific evidence for this hypothesis, we do find that women who receive housing assistance are no more likely to face barriers to employment than unassisted women. Second, TANF may have removed from the welfare caseload those women who could leave easily. This change would leave the remaining welfare caseload uniformly disadvantaged regardless of housing assistance status. Although we do find high rates of many barriers to employment—such as poor physical and mental health and episodes of domestic violence—the high levels of work involvement do not support this interpretation.

Third, the findings may be the result of the particular housing and cash-assistance policies in the geographic location of the sample—an urban Michigan county. As MDRC has noted, place matters greatly with respect to characteristics of housing-assisted populations (Blank and Riccio, 2001). Implementation issues related to supports for work and leaving welfare may be driving the high levels of work and welfare exit.

Fourth, it would be inaccurate to conclude from this research that barriers to employment are not a problem among women receiving housing assistance. Although we find few differences in the number of barriers to employment by housing assistance receipt, we find very high rates of mental and physical health problems across the housing spectrum. In our sample, 15.6 percent reported recent domestic abuse, 16.7 percent reported depression, and 21.5 percent reported a physical health problem. As Danziger and colleagues (2000) demonstrated and our multivariate analysis confirms, these problems are associated with lower probabilities of employment, lower levels of work involvement, higher levels of welfare duration, and the probability of being sanctioned for all women on welfare. As the federal government moves forward with the reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, researchers need to seek creative approaches to meeting the needs of the hard-to-serve population facing persistent barriers to employment.

Acknowledgments

Colleen Heflin designed and conducted the analysis in this report and wrote the draft report. Mary Corcoran served as a consultant. Grants from the National Institute of Mental Health, the Charles Stewart Mott Foundation, and the Joyce Foundation provided the resources to collect the data that are analyzed in this report. We give special thanks for helpful comments from Sheldon Danziger and Mark Shroder.

Authors

Mary Corcoran is a professor of public policy, women studies, and political and social science and a senior associate research scientist in the Survey Research Center at the University of Michigan. Her research focuses on the race- and ethnicity-based differences in women's wages and employment, how welfare mothers' employment has changed as a result of welfare reform, and on the intergenerational transmission of economic inequality.

Colleen Heflin is an assistant professor at the Martin School of Public Policy and Administration at the University of Kentucky. Dr. Heflin's research interests include welfare and poverty policy, social stratification, health inequality, and women and work. Her recent work appears in the Journal of Policy Analysis and Management, Sociological Inquiry, and Women and Health.

Notes

1. Total AFDC spending is higher when both state and federal spending are included.
2. The authors point out, however, that the APSH data lump AFDC recipients together with General Assistance recipients into a "Public Assistance" category, making it impossible to identify those who receive only welfare.
3. In Michigan, among the 8,900 public housing residents, the percentage of heads of households reporting earned income and no welfare assistance rose from 42 percent in the first quarter of 1997 to 49 percent in the first quarter of 1999; the percentage reporting only welfare income and no earned income fell from 30 percent to 22 percent and the percentage combining work and welfare declined from 10 percent to 8 percent.

4. “Waves” refer to repeated interviews with the same sample. In this article, wave 1 and wave 2 refer to the first interview and the second interview we performed, respectively.
5. Analyses not shown in this article also estimated models in which barriers to employment were measured at wave 1 and all other variables were as described above. Results were consistent with those presented here except in the cases of total hours worked and the natural log of earnings. For these two outcomes, barriers to employment measured at wave 1 were not related with the dependent variable.
6. Another interpretation of this finding is that Section 8 recipients differ from unassisted women in ways not measured in our survey. Unfortunately, the sample is not large enough to support a two-staged estimation technique such as instrumental variables modeling, which would allow us to control for unmeasured heterogeneity in the sample.
7. Because respondents who are observed working may differ in important ways from those who have zero values on both earnings and hours worked, both outcomes are analyzed on positive values only to eliminate issues of selectivity.

References

- Allard, Scott, and Sheldon Danziger. 2000. *Proximity and opportunity: How residence and race affect the employment of welfare recipients*. Available at www.fordschool.umich.edu/poverty.
- Blank, Susan, and James Riccio. 2001. *Welfare, housing, and employment: Learning from the Jobs-Plus Demonstration*. Policy brief. New York: Manpower Demonstration Research Corporation.
- Blumenberg, Evelyn, and Paul Ong. 1998. “Job accessibility and welfare usage: Evidence from Los Angeles,” *Journal of Policy Analysis and Management* 17(4):639–657.
- Boushey, Heather, and Bai Ding. 2001a. Keeping a job once you find it: Employment stability for New York City Housing Authority residents. Unpublished manuscript under peer review.
- . 2001b. Leaving welfare: An analysis of the probability of welfare exits for New York City public housing residents. Unpublished manuscript under peer review.
- Brooks, Margaret G., and John C. Bruckner. 1996. “Work and welfare: Job histories, barriers to employment, and predictors of work among low-income single mothers,” *American Journal of Orthopsychiatry* 66(4):526–537.
- Danziger, Sandra K., Mary E. Corcoran, Sheldon Danziger, Colleen M. Heflin, Ariel Kalil, Daniel Rosen, and Richard Tolman. 2000. Barriers to the employment of welfare recipients. In *Prosperity for all? The economic boom and African Americans*, edited by Robert Cherry and William M. Rodgers III. New York: Russell Sage Foundation..
- Khadduri, Jill, Mark Shroder, and Barry Steffen. 2001. “Can housing assistance support welfare reform?” Paper presented at the National Association for Welfare Research and Statistics Annual Workshop, August 19–21, Baltimore, MD.

- Kingsley, G. Thomas. 1998. *Federal housing assistance and welfare reform: Uncharted territory*. Washington, DC: Urban Institute Press.
- Kingsley, G. Thomas, and Peter Tatian. 1997. "Housing and welfare reform: Geography matters." Paper presented at Fannie Mae Foundation Policy Research Roundtable on the Implications of Welfare Reform for Housing, July 22, Baltimore, MD.
- Loprest, Pamela J., and Gregory Acs. 1995. *Profile of disability among families on AFDC*. Working paper. Washington, DC: Urban Institute Press.
- Loprest, Pamela J., and Sheila R. Zedlewski. 1999. *Current and former welfare recipients: How do they differ?* Discussion paper. Washington, DC: Urban Institute Press.
- Miller, Cynthia. 1998. *Explaining MFIP's impacts by housing status*. Working paper. New York: Manpower Demonstration Research Corporation.
- Newman, Sandra, and Joseph Harkness. 1997. "The effects of welfare reform on housing: A national analysis." Paper presented at Fannie Mae Foundation Policy Research Roundtable on the Implications of Welfare Reform for Housing, July 22, Baltimore, MD.
- Olson, Krista, and Pavetti, LaDonna. 1996. *Personal and family challenges to the successful transition from welfare to work*. Working paper. Washington, DC: Urban Institute Press.
- Ong, Paul. 1998. "Subsidized housing and work among welfare recipients," *Housing Policy Debate* 9(4):775–794.
- Sard, Barbara, and Jennifer Daskal. 1998. *Housing and welfare reform: Some background information*. Working paper. Washington, DC: Center on Budget and Policy Priorities.
- Shroder, Mark, and Marge Martin. 1996. New results from administrative data: Housing the poor, or, what they don't know might hurt somebody. Paper presented at the American Real Estate and Urban Economics Association Midyear Meeting, May 29, Washington, DC.
- U.S. Department of Housing and Urban Development (HUD). 1998. Welfare reform impacts on the public housing program: A preliminary forecast. Washington, DC: Office of Policy Development and Research, HUD.
- U.S. General Accounting Office. 1998. *Welfare reform: Effect on HUD's housing subsidies is difficult to estimate*. Report prepared for the Subcommittee on VA, HUD, and Independent Agencies of the House Committee on Appropriations. December
- Zedlewski, Sheila. 1999. *Work-related activities and limitations of current welfare recipients*. Discussion paper. Washington, DC: Urban Institute Press.