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PUBLIC PERCEPTIONS OF HOUSING
ALLOWANCES: THE FIRST TWO YEARS

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PREFACE

This working note was prepared for the Office of Policy Development and Research, U.S. Department of Housing and Urban Development (HUD). It reports on community attitudes toward HUD's experimental housing allowance program in Brown County, Wisconsin, and St. Joseph County, Indiana, during the first two years of program operation in each site. The report describes the two sites and assesses public knowledge, evaluations, and expectations of the program.

The present note is one of a series examining program operation during the first two years, including data on eligibility and enrollment, housing expenditures, recipient mobility, and improvements in housing quality. Information reported here comes mainly from the attitude modules of the surveys of households and landlords, conducted at baseline as part of the Housing Assistance Supply Experiment (HASE); from the observations of Rand's resident site monitors; and from records of telephone calls received by each site's housing allowance office (HAO).

The report was prepared by the authors. Sections II and III draw on material prepared by Daniel Alesch, Kirk L. Gray, Ira S. Lowry,

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SUMMARY

This report deals with public awareness of, attitudes toward, and expectations about the housing allowance program during its first two years of operation in Brown County, Wisconsin, and St. Joseph County, Indiana. It describes important social and political features of the two communities and traces the spread of program awareness and the evolution of public attitudes toward the program.

The analysis indicates that the allowance program has become an accepted institution in both experimental sites. Early controversies among community leaders about local participation appear to have receded, and never gained the attention of the general public. Most residents know that the program exists and view it either favorably or neutrally. Indeed, their approval has grown with the spread of program recognition throughout the community. Landlords were initially less enthusiastic than the general public and at least in St. Joseph County the number who disapprove has grown over time.

The program also fulfills most clients' expectations, as evidenced in the high level of overall client satisfaction. Moreover, both clients and the general public draw sharp distinctions between the allowance program and other "welfare" programs, viewing allowance recipients much more positively than they do people on welfare.

Other findings are summarized below.

PROGRAM AWARENESS

- The majority of household heads were not aware of the allowance program until after the housing allowance offices started enrolling applicants. In our baseline survey (conducted after well-publicized negotiations between HUD and local officials but before open enrollment began), only a fourth of all households in Brown County and a third in St. Joseph County said they had heard of the program.
- In both sites, program awareness grew rapidly during the early months of program operation. Less than a year after the program started, four out of every five households in Brown County said they had heard of the allowance program, while seven of every eight households claimed awareness in St. Joseph County. We attribute such widespread knowledge to extensive media coverage and direct efforts by the HAOs to attract applicants.
- In St. Joseph County, program information at baseline was frequently vague and sometimes inaccurate. About 40 percent of those claiming to have heard of the program could not supply any details about its purpose or operation; another 9 percent had manifestly confused it with other forms of housing assistance. We estimate that no more than one in six households possessed accurate knowledge at baseline.

- Those who had accurate information perceived the program primarily in terms of who it helps, what it helps people do, and its possible beneficial effects on housing and neighborhood quality. Our respondents' descriptions were striking in the degree to which they reflected the information provided by managers rather than the controversies reported by the media during the same period.

PROGRAM EXPECTATIONS

- In both sites, program expectations evolved within two distinct groups--community leaders and ordinary citizens, with a remarkable lack of congruence between them. Community leaders tended to expect dramatic countywide housing and fiscal improvements, whereas ordinary citizens had more modest expectations--that the program would help people find decent places to live, and in the process improve the county's housing.
- Few survey respondents either expected or found any of the potential negative effects discussed by the media. For example, most people did not expect the program to change the type of people in their neighborhood. Similarly, only one in five landlords who knew about the program expected it to change the way they managed their properties, and fewer still reported any actual effect after the first year.
- Among St. Joseph County households who were eligible for the program and knew about it when surveyed, blacks and

people who thought their dwellings were deteriorating most often planned to apply; the elderly and the more educated were least likely to consider applying. We attribute the strong early response from blacks to their experiences as beneficiaries of other government assistance programs; the elderly resisted more out of personal pride than general disapproval of the program.

PROGRAM EVALUATION

- Overall, the allowance program has been well received in both experimental sites. A seventh of those who had heard of it in St. Joseph County and a tenth in Brown County expressed a negative attitude toward it; more than a half were positive, and the remainder were noncommittal.
- In evaluating the program, St. Joseph County residents were more likely than those in Brown County to express distinctly positive or negative views. Brown County residents were more often neutral, tending to reserve judgment.
- St. Joseph County data indicate that the program's popularity increased among household heads but waned among landlords during the first year. Among household heads, a substantially larger proportion expressed positive opinions one year after the baseline survey; however, the proportion with negative views declined only slightly. While program support among the general public increased as knowledge

spread throughout the community, a small core of opposition persisted.

CLIENT PERCEPTIONS

- Client attitudes toward the allowance program and its staff are highly favorable in both sites. A maximum of 5 percent in Brown County and 12 percent in St. Joseph County rate the program negatively on a variety of items such as late payments and difficulties with landlords.
- Clients do not perceive themselves nor do others perceive them as being like welfare clients. Participation in the allowance program has greater legitimacy than being on welfare.
- There is a distinct client outlook in each site, which appears to be rooted in contrasting histories and cultural values rather than in differences in how the program functions. Clients in St. Joseph County have sharper opinions, both positive and negative. Their counterparts in Brown County are less inclined to give the program unqualified approval, perhaps because they also accord less legitimacy to the idea of government housing assistance for low- and moderate-income people.
- While clients generally like the allowance program, some would like to see certain features changed--such as the method of calculating allowances and the requirement that dwellings meet housing standards before payments can begin. Clients

offer various solutions to the problems, most of which entail paying more people more money.

- Perhaps because the HAOs are especially careful to protect program records, clients did not complain about misuse of confidential information. Nor were they irritated by lease or income verification requirements. In fact, fully 85 percent of St. Joseph County clients felt the HAO should check the income of everyone who receives payments. In general, clients in both sites shared the larger population's concern for avoiding waste or abuse.
- Clients appear to have fewer objections to the program's administrative procedures than is common in federal transfer programs, perhaps because they believe that program rules are fairly administered and the HAO staffs are attentive.

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I. INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) has operated an experimental housing allowance program in Brown County, Wisconsin, since June 1974 and in St. Joseph County, Indiana, since January 1975. This report describes the evolution of community attitudes toward the program during its first two years. It draws on survey data, observations of resident site monitors, and records of the local housing allowance offices (HAOs).

OVERVIEW OF THE ALLOWANCE PROGRAM

HUD's experimental allowance program is designed to help the agency decide whether a program of direct cash assistance to low-income households is a feasible and desirable way to help them secure decent housing in a suitable living environment; and if so, to help determine the best terms and conditions for such assistance and the most efficient and appropriate methods for administering such a program.[1] As part of that program, the Housing Assistance Supply Experiment (HASE) addresses issues of market and community response to housing allowances. It entails operating a fullscale allowance program for ten years in Brown County (whose central city is Green Bay) and St. Joseph County (whose central city is South Bend) and monitoring both program operations and market responses for about five years. In the first site, the allowance program is countywide; in the second, it began in South Bend alone but has since expanded its jurisdiction to the entire county.

Most federal low-income housing programs channel public funds directly to a local housing authority, a private landlord or developer, or a mortgage lender. A contractual agreement between the federal agency and the supplier usually regulates both the housing services to be provided and the price the tenants may be required to pay for them.

The housing allowance program operates differently. Monthly cash payments are granted directly to low-income renters and homeowners, who then use their increased resources to buy services in the local housing market. As enrollees attempt to obtain adequate housing, either by arranging for the repair of their dwellings or by moving to others that meet program standards, their actions may impinge in a variety of ways on the community at large.

SIGNIFICANCE OF COMMUNITY ATTITUDES

Because the program's effects may be felt communitywide, it is important to anticipate how recipients and nonrecipients alike will react to such an innovative policy as housing allowances. Much of the HASE research aims at measuring the allowance program's effects on the price and quality of housing throughout the market, on neighborhood changes resulting from moves by program participants, and on the response of market intermediaries such as mortgage lenders and real estate brokers.

But the program's ultimate effect will be shaped by each community's awareness and acceptance of the program. Eligible households manifestly will not apply to a program of which they are unaware. Even if they know about it, they may stop short of applying out of a particular reluctance to seek assistance or a general distaste for such programs. In assessing participation, it is important to distinguish such motives on the part of those who participate and those who are eligible but do not.

We must also assess the attitudes of ineligible community members, for their support can facilitate the program's operation but their opposition can impede it. Most importantly, the attitudes of nonparticipants establish a climate of social approval or disapproval toward allowance recipients, which can affect participation rates as well as how participants feel about themselves.

Monitoring community attitudes requires assessing complex forces. If community awareness and acceptance of the allowance program are likely to affect program development, it is equally likely that the program itself will change how people feel and act in relation to it. Our studies will determine how perceptions of the program change and how those changes reflect experience with the program.

SCOPE OF THE REPORT

The data analyzed here address four issues:

- Program Awareness. How many households knew about the program during its early stages? How clearly did they understand its purpose and procedures? Where did they obtain their information?
- Program Expectations. Among those who knew about the program, how did they expect it to affect their households, their neighborhoods, and the county as a whole? How have expectations changed?
- Program Evaluation. Among those who knew about the program, how many had positive, negative, or neutral orientations? What aspects of this or other government programs led to those judgments?
- Client Perceptions. How did those who enrolled in the program feel about it? How well did they understand its administrative features? What complaints did they have, and what program changes did they recommend?

Our answers to some of these questions are tentative, since information necessary for a final reckoning has reached only the early analytic stages.

BACKGROUND AND RELATED STUDIES

Social research of the magnitude of HASE--tracking community responses to such an experiment over as long as five years--has no

precedent. Each year, we talk to more respondents than are sampled in most national surveys. Moreover, our data are longitudinal; we can track responses relating to a single property (and often a single household) over several years.

Given the complexity of the task and the lack of a clear research precedent, we have invented some research methods or greatly extended existing ones. Nevertheless, the framework of our community attitude study is firmly rooted in social science tradition. This report relates our findings to studies of social and political attitudes wherever possible.

Linking our efforts to other studies of housing-related attitudes is, however, difficult. The literature reports few investigations of attitudes toward housing programs of any kind, and we are aware of only one broad survey that has even touched on housing allowances.[2] Though many surveys have asked general questions about housing, none compares with HASE in detailing the behavior or attitudes of consumers within an entire housing market.

SOURCES AND LIMITATIONS OF THE DATA

Our study relies on three sources of data: (a) descriptions of the site communities and program-related events, based on periodic reports from resident site monitors,[3] (b) records of telephone calls to the HAOs, collected for one week of each month beginning in April 1976, and (c) the first two waves of annual surveys conducted in each site--the survey of tenants, homeowners, mobile home

residents, lodgers, and roomers (hereinafter called the survey of households) and the survey of landlords. Most of the results presented here are based on the surveys, which are described below.

Survey of Households

Each year HASE interviews thousands of households in each site about their responses to the allowance program. The interviews are addressed to heads of households occupying dwelling units that make up the panel of properties surveyed throughout the experiment.[4] Respondents are asked to describe the interior features and condition of their units and to provide details of contract rent or mortgage financing, as well as other housing expense information.

The interview also elicits extensive data on respondents' perceptions of the allowance program and its effects on their housing and neighborhood. Once empaneled (i.e., after the first-year, or "baseline" surveys), participants are asked detailed questions about their experience with the program. We also obtain information on household composition, income, education, and occupation, and gather data on general social attitudes.

In Brown County, the baseline survey was administered between December 1973 and April 1974; about 2,600 renters and 650 homeowners on 1,945 properties were interviewed. The second annual survey (wave 2) was fielded between January 1975 and November 1975 and resulted in completed interviews for about 2,200 renters and 550 homeowners.

Surveys in St. Joseph County lag about a year behind those in Brown County. The baseline survey in St. Joseph County was administered between November 1974 and April 1975, with about 2,200 renter households and 700 homeowner households completing interviews. Fieldwork for wave 2 began in January 1976, and by September 1976 we had obtained interviews from 1,630 renters and 475 homeowners.

Survey of Landlords

For each rental property in the sample, we seek an annual interview with the landlord. That interview, running about two hours, is designed to obtain a record of his rental revenues and outlays for building maintenance and operation during the preceding year, including types of repairs and improvements and their costs. It also seeks data on mortgage financing, property ownership and management, property and tenant characteristics, landlord-tenant relations, and plans for the property. Most important for present purposes, it elicits the landlord's impressions of the program and how it affects him.

The landlord survey is generally sent to the field after most of the household interviews have been completed; thus, administration dates roughly parallel those given earlier, trailing by some two or three months. In Brown County, the 1974 baseline survey resulted in completed interviews for 2,111 properties, and the 1975 survey, for 1,060 properties. Corresponding figures for St. Joseph County are 1,914 properties at baseline and 929 properties at wave 2.[5] The

number of interviewed landlords is somewhat smaller than the number of completed interviews because we seek a separate interview for each property in the sample, and some landlords own more than one sampled property. Except where otherwise noted, our analysis of landlord attitudes reports data for landlords, not properties.

Limitations Imposed by the Data

The data impose several limits on our analysis. First, the baseline surveys in Brown County contained only four attitude questions, not the complete set included in later surveys. All respondents were asked whether they had heard of the allowance program, and if so, what they had heard and where. Tenants and homeowners who had heard about the program were asked whether they thought it would affect their households. Landlords were asked whether they thought it would affect plans for their rental property.

The data available for analysis of baseline attitudes in Brown County are thus comparatively sparse. However, that limitation is not crippling. The data indicate that very few people in Brown County knew about the program early in 1974; hence only a small subset of those interviewed could have answered more detailed questions even had they been asked.

Second, even in St. Joseph County we were unable to secure the necessary government clearances for certain questions bearing on

attitude formation. Omitting those questions occasionally hampered our ability to interpret the survey results.

Third, we have analyzed verbatim responses only for the St. Joseph County baseline survey.[6] Wave 2 data files just recently emerged from editing, coding, and keypunching, and are now undergoing a lengthy audit to ready them for analysis. At this writing, open-ended responses to the attitude module for wave 2 in Brown County have not yet been coded.[7]

Some results reported here thus derive from a data base that is not yet final. The numbers reported for wave 2 files are likely to be revised as errors and inconsistencies in individual records are discovered and corrected. And because we have not yet analyzed verbatim descriptions of the program by wave 2 respondents, we cannot judge how many of those who said they had heard of the program were confusing it with other programs. Later reports will, of course, present our final tabulations and correct any conclusions that prove to have been premature.

Despite the noted limitations, we have enough information to characterize community response before and after the program started operating and to trace trends in program awareness and evaluations. The HASE analysis is a continuing process; each new analytic cycle both illuminates and is informed by the preceding one. The final analysis will likely elaborate and clarify the findings reported here.

METHOD OF ANALYSIS

Measuring program knowledge is difficult. Respondents frequently claim more knowledge about public policies and programs than they actually have, and it is difficult to probe the limits of their knowledge without either offending or informing them. Evaluating their knowledge from verbatim responses to nonleading questions requires painstaking analysis. Here we explain the methods used to elicit information and analyze responses.

Selected Respondent Strategy

For households headed by couples, much of the household survey is addressed to both--a strategy that has improved the reliability of income and expense information. But knowledge, beliefs, and opinions are attributes of individuals, not households. To analyze how characteristics of individuals (such as education or attitude toward integration) affect program perceptions, we need to know whose characteristics are relevant. And for the data to represent the entire community, they should not always be supplied by the more talkative or less busy household member or the one that has the strongest rapport with the interviewer.

Accordingly, for households with two heads, we designated in advance which would answer questions about the allowance program. To avoid biasing the sex distribution of the sample, we randomly selected the

male or female head, asking that the other either leave the room or refrain from answering. That procedure yielded nearly equal numbers of male and female respondents from jointly headed households.[8]

Measuring Program Knowledge

Our most difficult analytic task was deciding whether those who said they had heard about the program actually knew something about it. Earlier studies have shown that many people readily provide opinions about nonexistent social issues, policies, or groups.[9] If respondents can provide opinions about the nonexistent, that warns us they may also report opinions about an actual program even when they know nothing about it. How then are we to determine if a respondent's claim to have heard about the allowance program is valid?

Distinguishing Informed from Uninformed Claims of Knowledge. One approach is to check an individual's ideas against a true-false list. But that strategy often fails to account for the lucky guesser. It also tends to irritate a respondent and provide him with statements that may bias his later evaluations. When the same people are to be interviewed several times, as in our study, neither consequence is desirable.

Another approach is to ask the respondent to describe what he knows about the program in his own words. That method avoids providing a

respondent with information that may bias his overall evaluation and allows the analyst to record only those ideas that are truly important to each individual. But it also involves the complex and tedious task of coding free responses--a prospect that dissuades most researchers from the attempt.

Nevertheless, we decided on the latter strategy--to let the respondent use his own words in describing the program. We first asked respondents whether they had heard of the housing allowance program that was going to be introduced in their area. If they said yes, we then asked them to describe the program, carefully training our interviewers to use nondirective probes to elicit the most detailed description possible.

Coding the Responses. The next problem was to devise a coding scheme that would capture the separate elements of informed respondents' descriptions, yet distinguish people who were clearly talking about some other government program from those who were talking about the allowance program. The difficulty was that a respondent might say several things that could apply to the allowance program, but then inadvertently reveal he was thinking about another housing program altogether.[10]

It was often impossible to tell which program a respondent had in mind based on the separate elements of his response; only the whole description would yield the answer. We therefore used two types of

coding: judgmental coding of an entire response, and detailed coding of single items of information. The judgmental coding determined when respondents were talking about some other program; coding of details was reserved for the descriptions of potentially aware respondents only.[11]

That procedure allowed the coder access to all the respondent's words in deciding whether he was talking about something other than the allowance program. It also preserved each bit of information from respondents for whom there was no unambiguous evidence that they had another program in mind.

Evaluating Claims of Program Awareness. That much of the coding procedure allowed us to determine that some respondents were definitely talking about a program other than the allowance program. But we still could not separate respondents who were clearly describing the allowance program and none other from those who could be describing it or any of several programs.

Estimating public familiarity with a new social policy is not solely a problem of discounting those who claim awareness without really having any information or who have confused the program with something else. It also involves evaluating responses that cite features the new program shares with more familiar ones. Shall we say that someone is familiar with the allowance program if he knows it helps low-income people get better housing--a description that

applies to several other housing programs as well? Shall we say that he is unfamiliar if all he can remember is that it helps old people? Clearly, either/or decision rules are arbitrary.

Levels of Program Awareness. Our solution was to distinguish three levels of program awareness based on increasingly rigorous definitions:

Level of Awareness	Definition
Level 1Respondent says he has heard of the program
Level 2Respondent can supply some accurate program details
Level 3Respondent can supply unique program details

Level 1 is claimed awareness (which we also call program recognition), applicable to those who said they had heard of the allowance program. It includes four types: (a) persons who claim awareness for entirely extraneous reasons (e.g., to please the interviewer, to appear informed, or merely in the hope of finding out what the next question will be); (b) persons who have in fact heard

about the program but either did not absorb or cannot recall anything more about it, (c) persons who immediately--and incorrectly--associate the allowance program with other housing programs (but who are impossible to distinguish it from the first two groups except through chance revelations); (d) persons who can provide some accurate information about the program.

Level 2 includes only respondents who could provide some accurate details about the program. It thus excludes all level 1 respondents who were clearly talking about some other government program or who could supply no details whatsoever about the allowance program--such as who it helps, what it helps them do, or how it might affect households. Respondents at level 2 are the maximum number who were knowledgeable about the program without necessarily understanding its distinctive features.

The third and most rigorous level includes only those who could describe unique aspects of the allowance program--that it provides cash payment to renters and homeowners, that it allows people to choose where they will live, that it is an experiment, that it does not provide funds for construction. Those who met this test were truly familiar with the allowance program; they understood its purpose and how it differs from other government housing programs.

Throughout the text we use different descriptive phrases for each measure of awareness.[12] Level 1 respondents are described as those who claim awareness or have heard of the program. Respondents who

meet the level 2 test are described as aware of the program. We describe level 3 respondents as well informed about the program.

To date, we have developed measures of the second and third levels of awareness only for St. Joseph County baseline data. The results we report for that survey illustrate the approach to be taken with the other data files. For now, however, comparisons over time and between sites must be restricted to our simplest measure of awareness--program recognition.[13]

Nevertheless, preliminary analysis of the wave 2 files suggests that the gap between claiming awareness and being able to provide some accurate program details diminishes substantially after a year of experience with an operating program. Consequently, we think the data on program recognition provide a reliable benchmark for estimating the maximum diffusion of program awareness within a year.

ORGANIZATION OF THE REPORT

The next two sections report background characteristics of the two experimental sites (Sec. II) and provide a brief history of program development during the first two years (Sec. III). Section IV describes the growth of community awareness and details how respondents who are aware of the program describe it. Section V documents early expectations about program effects and examines how they have changed. Section VI focuses on the community's overall evaluation of the program

and reports how different groups have responded to it. Section VII summarizes the reactions of program clients at the end of the first year in each site.

NOTES TO SECTION I

1. The experimental housing allowance program is detailed in the Appendix.
2. Harris and Associates (1976). In addition, a study based on a small sample of housing allowance recipients in the United Kingdom is reported by Taylor-Gooby (1976).
3. Most of those reports are being published as working notes and are referred to periodically throughout the text.
4. Each year we augment the panel with a sample of newly constructed residential properties, so that it will continue to be representative of the county. In addition, we follow a subsample of urban renter households who are eligible to enroll in the allowance program, interviewing them at their new addresses if they move from empaneled housing units.
5. The decrease in the number of completed interviews, baseline to wave 2 in each site, is explained partly by the fact that only a subset of baseline properties was empaneled for annual resurveys.

6. That analysis is documented in Ellickson (forthcoming) and Kanouse (forthcoming).
7. Because of the complexity of coding open-ended responses, we began coding attitude data from wave 2 in Brown County only after the rest of the survey responses had been processed.
8. The landlord survey does not pose the same problem because the general procedures for designating respondents are also appropriate for the more specialized attitude analysis. Unlike the household survey, however, the landlord survey can be administered more than once to the same individual if he or she owns more than one sampled property. In such cases, the attitude module is administered only in the first interview.
9. In the 1940s, three-fifths of a California sample told interviewers whether they were for or against a nonexistent "Metallic Metals Act." In other studies, experimental subjects have also had no trouble describing positive or negative qualities of fictitious nationalities.
10. One respondent, for example, said, "It helps low-income people get better housing," then added, "but people like me can't get in to those projects on Chapin Street [public housing]." Another claimed to be familiar with the allowance program: "Oh yes, that's the Southeast project to help people fix up their homes [a neighborhood rehabilitation program]."

11. To carry out this strategy, we compiled a dossier on other government programs operating in St. Joseph County, providing detailed examples of responses that might describe them. If a response in its entirety described any of those other programs, it was so coded. Otherwise, the response was separated into its cognitive elements. For example, each element separated by a slash in the following quote received a unique code: "It's an experiment/to help low-income people/move into better neighborhoods/and pay their rent."

12. The tables accompanying the text refer to precise categories--level 1, 2, or 3.

13. Constructing the level 2 and 3 measures requires a detailed analysis of open-ended responses, which must await further data coding and cleaning.

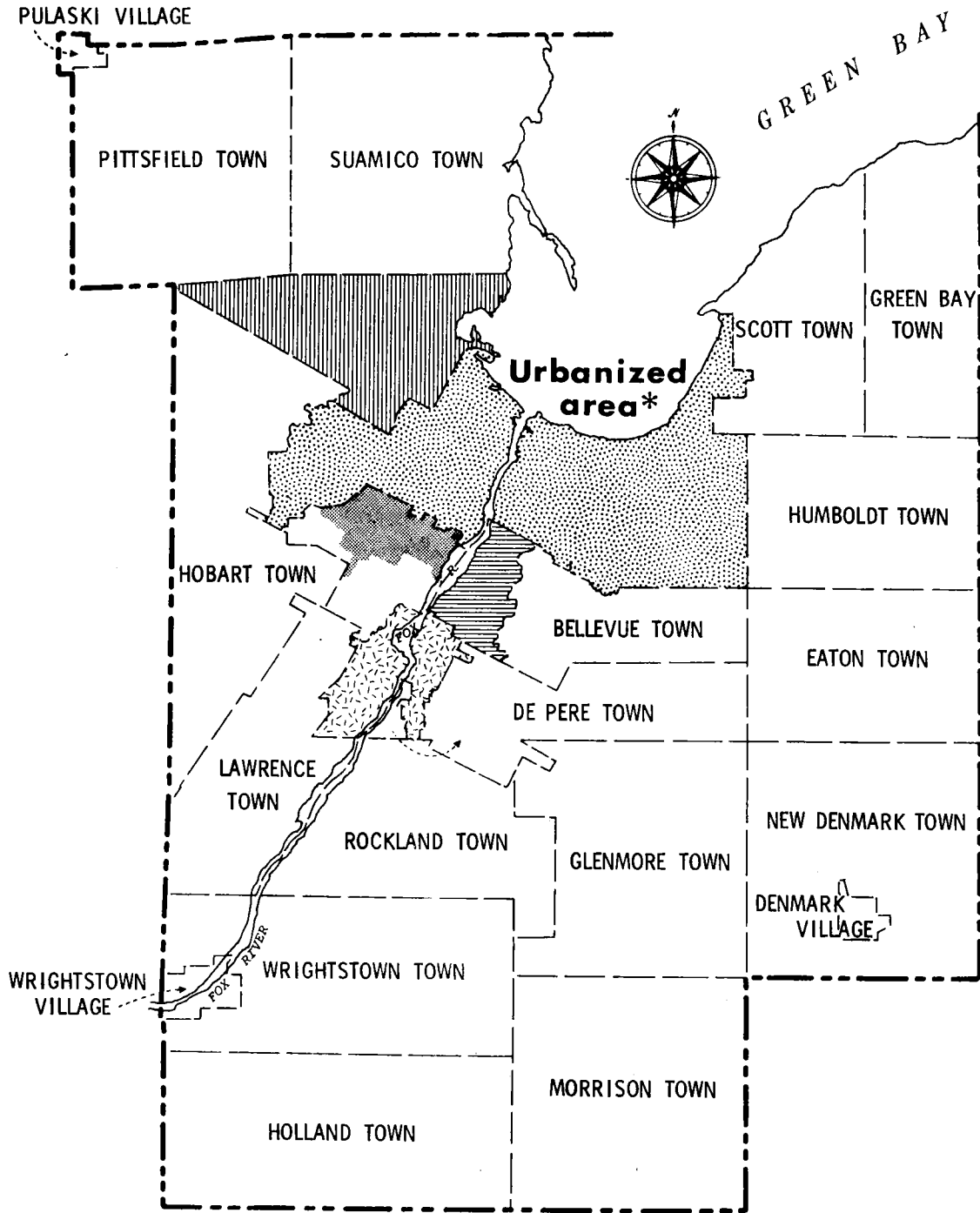
II. THE EXPERIMENTAL SITES

Brown and St. Joseph counties, both relatively small midwestern metropolitan areas, were selected as experimental sites specifically for contrasts in their housing markets that were likely to affect the results of an allowance program.[1] Below, we examine the characteristics of the sites that are important to the study of community attitudes.

ECONOMY AND POPULATION

Brown County

Figure 1 maps Brown County's political subdivisions. The city of Green Bay is an important port and transshipment point for bulk goods moving through northeastern Wisconsin and upper Michigan. It contains more than half of Brown County's population. Urban employment in the county is concentrated in the manufacture of paper, paper-mill machinery, lumber and wood products, office equipment, automobile parts, cheese and other dairy products, and in wholesale trade. Rural employment is mostly in diversified farming and dairies. The lakeshore is a popular vacation retreat, with numerous small resorts and summer cottages.



LEGEND: Brown County Line

Political Unit Boundary
(City - Village - Town)

0 2 4 6
Miles

*HASE Urbanized Area:

- City of Green Bay
- City of De Pere
- Howard Village
- Allouez Town
- Ashwaubenon Town (remainder is rural)

Fig. 1 — Political subdivisions of Brown County, Wisconsin, and HASE urbanized area

Shaded areas on the map mark the jurisdictions that were populated at urban densities according to 1970 census data. They include the city of Green Bay, with a population of 87,780, and four adjoining jurisdictions: the city of De Pere (13,400), the village of Howard (4,900), the town of Allouez (13,800), and part of the town of Ashwaubenon (9,300 in the urban part). The remainder of the county contained 39,100 inhabitants in 1970, of which 18,900 were classified as rural nonfarm residents living in open country or small villages (Pulaski, Denmark, Wrightstown). The remaining 10,100 persons lived on farms.

The county's population increased by 26 percent between 1960 and 1970, and three-fourths of the growth was in the urban center--Green Bay and adjoining suburbs. Green Bay grew mostly by annexation, the population within its 1960 boundaries increasing by only 8 percent. Since 1970, the city's boundaries and population have changed very little, but surrounding suburbs continue to grow. For 1975, the Wisconsin Department of Administration estimates a countywide population of 170,400, up by 8 percent since 1970.

St. Joseph County

St. Joseph County lies on the northern border of Indiana, about 30 miles southeast of Lake Michigan. Like Brown County, St. Joseph County is generally flat, and consists mostly of farms, pastures, and woodlands.

The county's only dense urban settlement developed at South Bend (see Fig. 2). Today, the location lies on a major rail and highway corridor connecting Chicago and Gary, at the toe of Lake Michigan, to Toledo and Detroit on Lake Erie.

As recently as 1950, the local economy was dominated by manufacturing establishments employing 55,400 persons, about half the county's total employment of 110,000. By 1970, manufacturing employment had decreased to 32,500 out of a county total of 102,900, mostly because of job losses in the transportation industry. The remaining manufacturing employment is predominantly in cyclically unstable industries: transportation equipment, electrical and nonelectrical machinery, and primary and fabricated metals. Currently, the largest employers in the region are the Bendix Corporation, with over 5,000 employees, located on the west side of South Bend; and Uniroyal, with as many as 2,500 employees, located in downtown Mishawaka.

Much of the slack in the local economy has been taken up by growth in the trucking, warehousing, and wholesale trades, and by the development of business and financial services with a regional and sometimes national market. As a result, the unemployment rate has generally declined in the past decade, though with considerable fluctuation. The local economy is also considerably affected by the presence of the University of Notre Dame, a campus of Indiana University, and several smaller colleges. Collectively, those

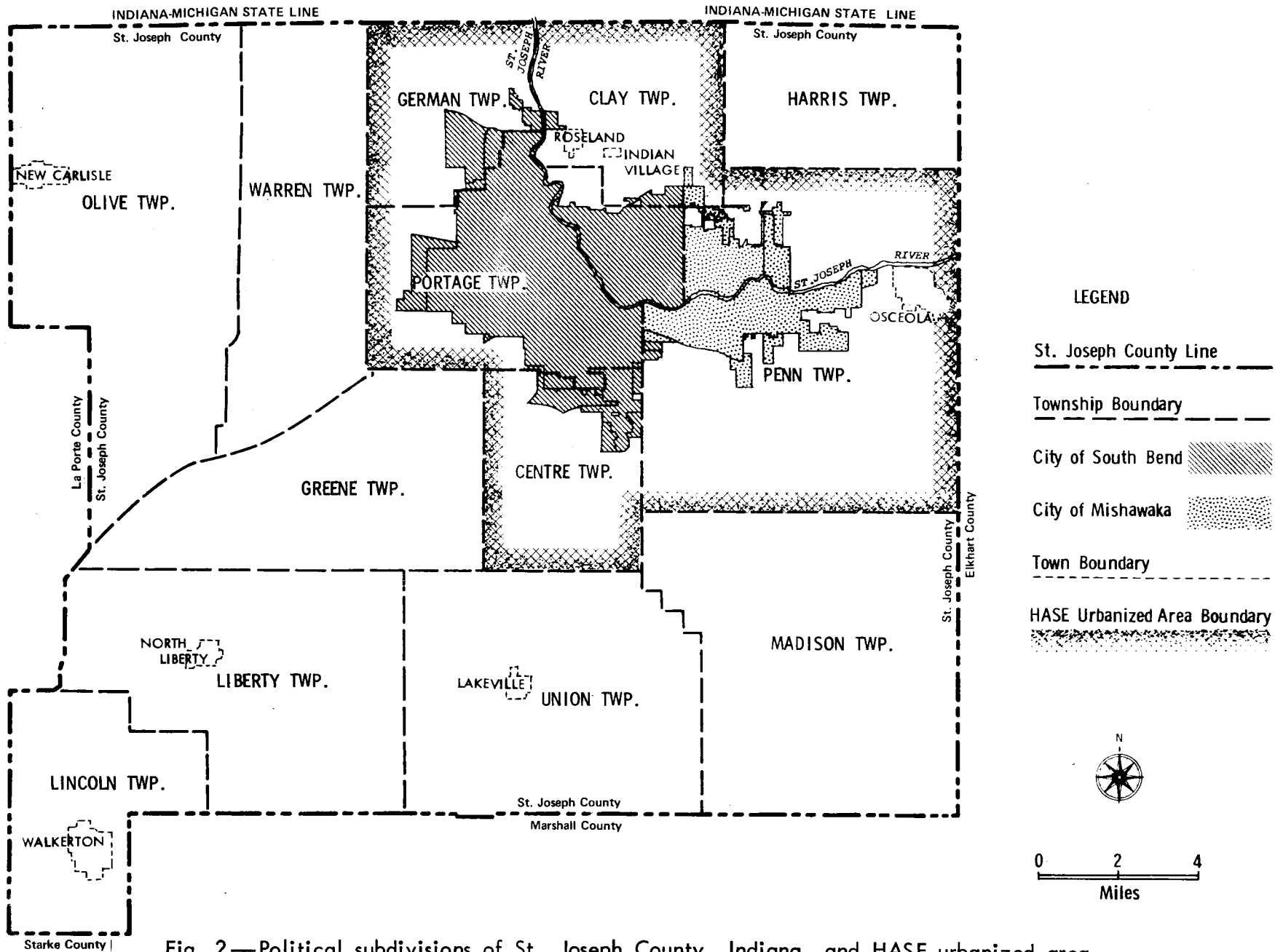


Fig. 2—Political subdivisions of St. Joseph County, Indiana, and HASE urbanized area

institutions employ over 3,000 people. Fewer than 1,000 people are employed in agriculture, although eight times that number still live on farms.

In 1970, the county had 245,000 inhabitants, of whom half (125,000) lived in South Bend. The adjoining city of Mishawaka contained another 35,500 inhabitants. The rest of the urban area, consisting of portions of five townships (shaded on the map), contained 59,000 inhabitants, about 90 percent of the county's population. The rest of the county contained about 25,000 inhabitants, a third of whom lived on farms.

Between 1960 and 1970, the county's population grew by only 2.7 percent; a net outmigration of 17,300 persons offset most of the natural increase. South Bend lost about 5.2 percent of its 1960 population during the decade, while the remainder of the county grew by 12.5 percent. HASE surveys conducted early in 1975 indicate that since 1970 the county has lost about 10,000 inhabitants; South Bend's losses are no longer offset by suburban growth. Those data reflect considerable movement out of the county, best understood as the consequence of shrinking manufacturing employment.

Thus, our two sites differ in their growth rates and employment patterns. While St. Joseph County's economy has been gradually shifting from manufacturing to service and wholesale trade, it remains more affected by cyclical variations than Brown County--and its negative growth rate reflects that fact.

HOUSEHOLD CHARACTERISTICS

The contrasting demographic and economic histories of the two sites are reflected in the characteristics of the households that make up the communities. Table 2.1 divides the households in each site according to stages in the household life cycle. The cycle typically begins when a young single person leaves the parental home to form a new household. Marriage usually follows, and in due course the couple bear and raise children. The cycle concludes with a surviving spouse, usually living alone. Most departures from the typical sequence arise from divorce or separation during the child-raising years; they are assigned to stage 10.[2]

In both counties, it is striking that about half of all households contain no children under 18. St. Joseph County has more childless households (54 percent, vs. 47 percent in Brown County), reflecting an abundance of elderly single persons living alone or with other adults. Brown County, on the other hand, has a relatively large number of young couples who have just begun their families (stage 3).

Life-cycle stages tend to group households whose heads are within the same age range, so that the counties do not differ much in the average age of those in each stage. But it does appear that more of St. Joseph County's young people are single (stage 1) and more of its young married couples are childless (stage 2). Overall, households in Brown County are almost 15 percent larger than those in

Table 2.1

DISTRIBUTION OF HOUSEHOLDS AND SELECTED DEMOGRAPHIC CHARACTERISTICS BY
LIFE-CYCLE STAGE: BROWN COUNTY (1974) AND ST. JOSEPH COUNTY (1975)

Stage in Life Cycle	Percent of All Households		Average Age (yr) Male or Only Head		Average Number of Members	
	Brown County	St. Joseph County	Brown County	St. Joseph County	Brown County	St. Joseph County
1. Young single head, no children	9.1	11.0	25.7	29.0	1.6	1.3
2. Young couple, no children	8.4	8.7	26.6	28.0	2.0	2.1
3. Young couple, young children	29.2	18.7	31.4	29.3	4.5	4.2
4. Young couple, older children	10.7	11.6	38.6	38.6	5.1	4.8
5. Older couple, older children	11.6	7.4	51.4	51.4	5.3	4.4
6. Older couple, no children	6.2	8.5	54.7	54.7	2.3	2.4
7. Older single head, no children	3.3	6.9	54.4	55.3	1.4	1.3
8. Elderly couple	9.0	9.4	67.8	70.2	2.4	2.2
9. Elderly single head	7.8	10.0	71.8	72.1	1.2	1.2
10. Single head with children	4.7	7.5	36.0	35.5	3.5	3.6
11. All other	.1	.3	84.0	69.8	6.2	2.9
All stages	100.0	100.0	42.5	44.6	3.4	2.9

SOURCE: Tabulated by HASE staff from records of the survey of households, Sites I and II, baseline.

NOTE: Entries for Brown County are based on a 1974 sample of 3,338 households who provided complete income information; entries for St. Joseph County are based on a 1975 sample of 2,496 households. Both samples exclude most landlords and all occupants of federally subsidized housing units.

the nation as a whole, while those in St. Joseph County mirror the nationwide average of 2.97 persons.

Table 2.2 lists household income and employment status by life-cycle stage for the two counties. Household heads in Brown County are more likely to have jobs than their counterparts in St. Joseph County.[3] In both counties, wives often work, but it is more common in St. Joseph County, partly offsetting the area's more frequent unemployment of household heads. Consistent with that interpretation, a lower percentage of all Brown County households have no employed member in the working years (stages 1 to 5).

Brown County's households follow a more traditional family pattern than those in St. Joseph County. Marriages are earlier, families are larger, fewer wives work, and retirement from the labor force is earlier. Brown County's median household income exceeds that of St. Joseph County by just over \$400, even though stage by stage the advantage is with residents of St. Joseph County. Part of the reason is that more of Brown County's households are in their peak earning years. Overall, jobs there pay less but provide steadier incomes.

The geographic variations in median income levels in Brown County exhibit a characteristic doughnut pattern: Income is 14 percent higher in Green Bay's suburbs than in the city itself. In the villages and rural areas outside the affluent suburban ring, income falls slightly below that of the central city.

Table 2.2

INCOME AND EMPLOYMENT CHARACTERISTICS OF HOUSEHOLDS BY LIFE-CYCLE STAGE:
BROWN COUNTY (1974) AND ST. JOSEPH COUNTY (1975)

Stage in Life Cycle	Median Income (\$)		Percent of Households					
			With Male or Only Head Employed		With Wife Employed		With No Members Employed	
	Brown County	St. Joseph County	Brown County	St. Joseph County	Brown County	St. Joseph County	Brown County	St. Joseph County
1. Young single head, no children	7,050	8,600	83.2	83.1	(a)	(a)	9.4	10.8
2. Young couple, no children	13,100	15,000	91.6	87.0	67.5	75.6	1.5	4.9
3. Young couple, young children	11,827	12,499	95.2	88.2	32.8	26.9	2.5	10.3
4. Young couple, older children	14,749	15,000	98.4	94.2	48.3	49.0	.6	2.2
5. Older couple, older children	16,328	15,001	93.2	92.8	36.7	64.7	.6	3.8
6. Older couple, no children	12,998	14,999	89.3	88.4	48.8	53.6	2.3	1.0
7. Older single head, no children	6,809	7,980	76.8	67.2	(a)	(a)	18.4	29.8
8. Elderly couple	7,998	7,393	40.3	25.7	17.7	17.2	44.6	64.2
9. Elderly single head	3,855	2,990	21.2	25.8	(a)	(a)	70.7	64.9
10. Single head with children	5,676	6,020	51.0	62.0	(a)	(a)	42.1	30.0
11. All other	7,911	5,005	.0	3.5	(a)	(a)	15.0	79.3
All stages	11,500	10,900	80.1	72.8	39.0 ^b	44.0 ^b	14.1	21.2

SOURCE: Tabulated by HASE staff from records of the survey of households, Sites I and II, baseline.

NOTE: Entries for Brown County are based on a 1974 sample of 3,338 households who provided complete income information; entries for St. Joseph County are based on a 1975 sample of 2,496 households.

Both samples exclude most landlords and all occupants of federally subsidized housing units.

^aNot applicable.

^bBase for percentage includes only households headed by a married couple.

St. Joseph County departs somewhat from that pattern. Strictly speaking, Mishawaka is not a suburb of South Bend but a sister city with its own employment base and a largely blue collar population. In 1970, median family income in Mishawaka was about \$700 less than in South Bend and only 2 percent of its families reported incomes of more than \$25,000, as compared with 4.5 percent in South Bend. But if South Bend contains more affluence, it also harbors more poverty. Much of it stems from racial segregation; blacks form a substantial part of South Bend's population, but are virtually absent from Mishawaka.

RACIAL AND ETHNIC DISTINCTIONS

Perhaps the most striking difference between the two counties lies in their racial and ethnic composition. Brown County's population in 1970 was over 98 percent white, and nearly two-thirds were of northern European or Scandinavian origin. The remaining 2 percent (about 3,000 people) include some 1,700 American Indians, many of whom live on a reservation in the town of Hobart; and about 370 blacks and 640 Mexican-Americans, who live in either Green Bay or its suburbs but nowhere form a large ethnic enclave.

St. Joseph County's 1970 population, in contrast, includes about 21,000 blacks and 2,000 Mexican-Americans.[4] Nearly all the blacks live in South Bend, where in 1970 they constituted 18 percent of all households. In a characteristic pattern of residential segregation, about two-thirds of South Bend's black population is concentrated in

seven census tracts forming an ellipse around the city's central core (see Fig. 3). Generally, the neighborhoods with the largest black populations are also those in which housing conditions are poorest and property values lowest. For those reasons, South Bend can be regarded as typifying the pattern of residential segregation found in many older U.S. cities. Mexican-Americans are relative newcomers to St. Joseph County, many having arrived within the last ten years. Like many earlier immigrant groups, they have settled on South Bend's West Side, where there are also large concentrations of blacks.

Ethnicity is an important variable, because gaining ethnic support has been important to the program's success in St. Joseph County. There is a sharp difference between the two sites: Only about 10 percent of Brown County's population and 16 percent of St. Joseph County's is of foreign birth or parentage. Table 2.3 presents 1970 census counts of various ethnic groups in the two counties, and indexes their geographic concentration within each. In Brown County, only Germans, Poles, and Canadians appear in any numbers, although the county also contains a large number of Belgians that the census does not count separately.

Brown County's "ethnics" are remarkably evenly divided between Green Bay and the remainder of the county. Overall, the city has just 11 percent more foreign stock than one would expect from its share of the total population. Only two small groups--the Irish and the

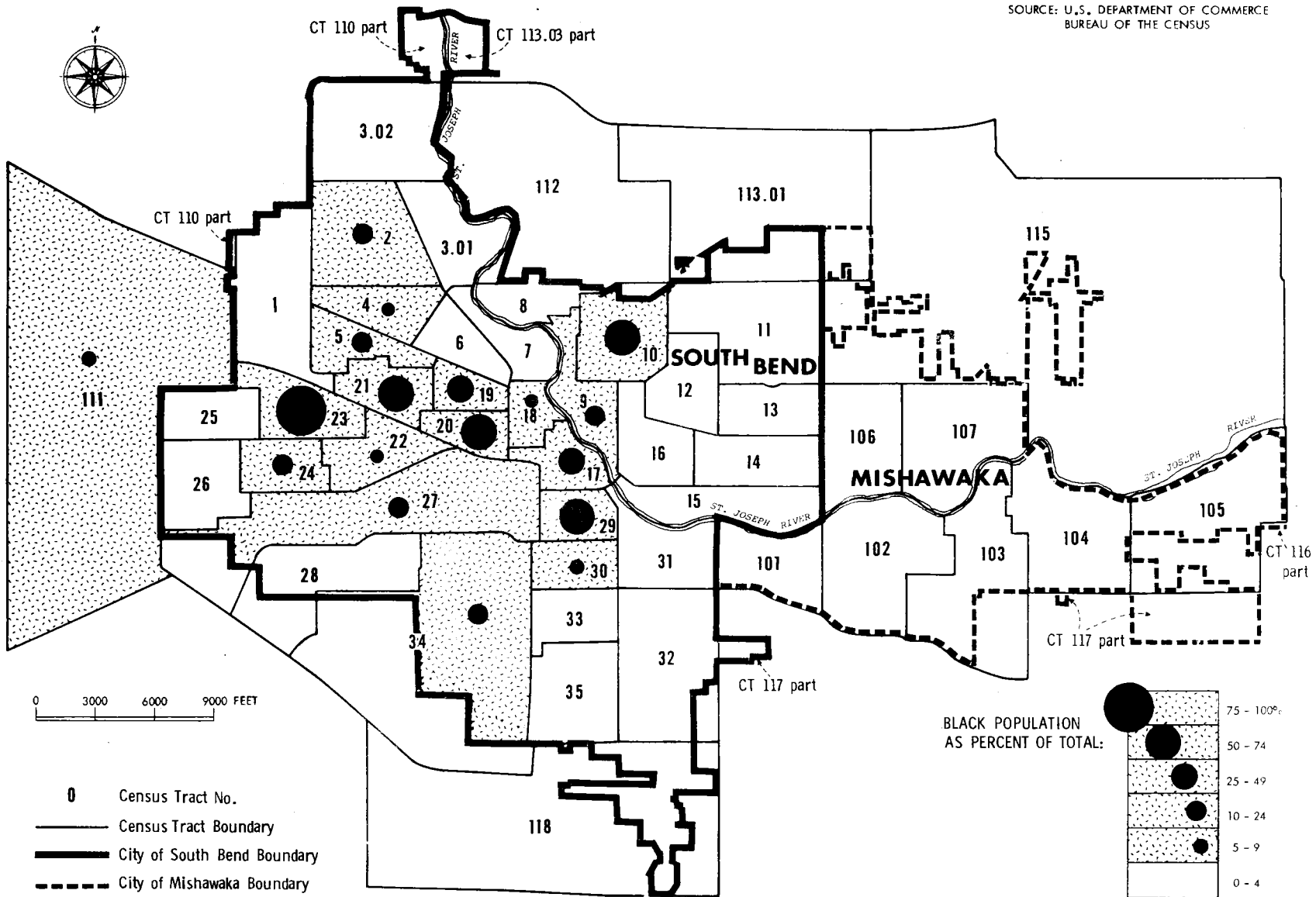


Fig. 3—Census tracts in South Bend, Mishawaka, and adjacent areas, and distribution of black population in 1970

Table 2.3

SIZE AND GEOGRAPHIC CONCENTRATION OF ETHNIC GROUPS:
BROWN AND ST. JOSEPH COUNTIES, 1970

Ethnic Group, by Race or Country of Origin	Number of Persons		Geographic Concentration Index				
			Brown County		St. Joseph County		
	Brown County	St. Joseph County	Green Bay	Balance of County	South Bend	Mishawaka	Balance of County
Blacks	368	18,587	(b)	(b)	186	4	12
Foreign stock: ^a							
United Kingdom	618	2,022	120	75	91	168	85
Ireland (Eire)	283	653	133	59	122	86	74
Sweden	398	806	120	75	121	68	82
Germany	3,727	4,587	110	88	108	97	90
Poland	1,998	8,878	97	103	151	26	55
Czechoslovakia	586	531	117	79	85	181	89
Austria	272	1,756	109	88	148	31	58
Hungary	125	5,208	101	99	138	41	68
U.S.S.R.	257	982	70	137	141	85	45
Italy	283	2,275	132	60	86	239	62
Canada	1,522	2,195	107	91	105	141	76
Mexico	44	519	(c)	(c)	122	61	84
Cuba	--	73	(c)	(c)	(c)	(c)	(c)
Other American country	27	160	(c)	(c)	118	56	91
All other and not reported	6,008	8,518	115	82	98	159	78
Total	16,148	39,163	111	87	120	98	71
Native or native parentage	142,096	205,881	99	102	96	100	106
All persons	158,244	245,044	100	100	100	100	100

SOURCE: Computed by HASE staff from data reported by the 1970 census of population and housing.

NOTE: Ethnic concentrations over 130 percent are boxed. The index is that proportion of the ethnic population living in an area divided by the proportion of the total population living in the area, times 100. If the geographic distribution were uniform, each group would be distributed within the county in the same proportion as the total population, and all entries would be 100.

^aIncludes foreign born (1,676 in Brown County, 9,433 in St. Joseph County) and native of foreign or mixed parentage (14,472 in Brown County, 31,850 in St. Joseph County).

^bNot computed because census totals include institutionalized inmates who form a substantial proportion of Brown County's black "population." Very few of Brown County's blacks are actually residents.

^cNot computed because total number of persons is less than 100.

Italians--are concentrated in Green Bay; census data indicate that most other ethnic groups are fairly well scattered throughout the county.

St. Joseph County has sizable numbers of minorities and they are more geographically concentrated. As Table 2.3 shows, much of that concentration is within South Bend, where foreign stock is 20 percent above the number that size alone would dictate. The city of Mishawaka too has disproportionate numbers of certain ethnic groups (although not the same ones as South Bend). While the Irish, Swedes, Poles, Austrians, Hungarians, Russians, and Mexican-Americans (along with blacks) are concentrated primarily in South Bend, the British, Czechs, Italians, and Belgians have settled primarily in Mishawaka. Ethnic concentration also occurs within the cities themselves. (For example, most Hungarians in South Bend live in an area in the southwestern part of town known as Rum Village.)

Strong ethnic identification is more apparent in St. Joseph County than in Brown County, and white ethnicity still plays a large role in the life of the Indiana community.[5] Outreach efforts by allowance program administrators have often capitalized on that fact, and presentations to ethnic organizations have been important in informing those potentially eligible about program benefits.

EXPERIENCE WITH FEDERAL HOUSING PROGRAMS

It is reasonable to expect that prior experience with government housing programs will strongly influence community reactions to a new one--shaping the political and institutional climate in which the new program must operate, the readiness of eligible households to participate, and the disposition of nonparticipants toward the program.

While that experience is part of the context within which HASE began, it has been highly dissimilar in our two sites. St. Joseph County has had a long involvement with public housing: In August 1974, before the program began, the county had 1,275 units of low-rent public housing, of which about half had been constructed before 1970.[6] In December 1973, the comparable baseline period for Brown County, there were only 287 low-rent public housing units, most of them constructed that year.

In addition to public housing, St. Joseph County had about 1,300 units of private rental housing and 600 cooperatively owned dwellings that were subsidized under Sec. 221d(3) or Sec. 236 of the National Housing Act. The comparable total for Brown County in December 1973 was only 213 units, all less than two years old.

In addition to those programs, the city of South Bend had a small (300-unit) rent supplement program, funded under Title I of the Housing and Urban Development Act of 1965, and had used Title I urban

renewal funds to clear one blighted neighborhood for reuse as a park and for subsidized rental housing. In 1968, the West Side was designated a Model Cities Neighborhood, and by 1974 some \$6.2 million of federal funds had been spent there for social programs, including \$300,000 for housing rehabilitation.

The point of those figures is clear. Whereas St. Joseph County's two major jurisdictions--South Bend and Mishawaka--made considerable use of federal housing subsidy programs from 1965 on, Brown County did not build its first subsidized public housing unit until two years before the program began. Brown County residents, then, had far less community experience with federal public housing programs of any kind.[7] For them, the Supply Experiment was a bold venture accompanied with uncertain risks, benefits, and commitments.

Paradoxically, if Brown County's lesser experience with federal programs made the decision to launch the experiment there more momentous, it also facilitated its operation once it was under way. Opposition to the program was from the outset individual and not institutional. Put simply, Brown County had fewer fingers in the pie of public housing; the byzantine network of public agencies, political bodies, and special-interest groups that had evolved in St. Joseph County simply did not exist there. (Section III discusses the consequences of that difference.)

COMMUNITY STRUCTURE

Brown County

Brown County residents accurately perceive their community as homogeneous, generally prosperous, and socially conservative. Their lives are marked by an orderliness reminiscent of the Sinclair Lewis novel *Main Street*, and for much the same reason: Residents share a common set of underlying values. This homogeneity of outlook is partly due to the absence of a demographic or economic basis for factionalism. The county lacks minority groups whose interests might clash with those of the majority; it lacks the sort of jurisdictional rivalry that, in St. Joseph County, has pitted South Bend against Mishawaka;[8] and it lacks competing economic interests that might produce conflicting scenarios of progress.

Brown County residents are also drawn together for positive reasons. The climate and location create the same set of recreational opportunities for everyone. The severe winters create a spartan camaraderie. And the county's professional football team--the Green Bay Packers--forms a common interest that in its intensity approaches obsession.[9]

In addition to the Packers, Brown County residents share the neighborhood tavern. Most urban areas have such establishments, but in Brown County the numbers make the tavern an institution.[10] In spirit, the taverns approximate the British pub rather than the

American cocktail lounge. Regular customers appear after work or later in the evening in search of fellowship, fun, and (occasionally) food, making the tavern an arena for the exchange of information and opinions on virtually all subjects--including the allowance program. Beyond that, they sustain a sense of community and help preserve the informality of Brown County society.

Brown County has few formal political groups and organizations. To be sure, politics is played, influence is wielded, and decisions are made. But more often than not, such business is transacted in athletic rooms, at service club meetings, and during social gatherings. Brown County is largely a stranger to the politics of confrontation.

That is not to say that the county lacks organizations. Groups such as the Lions, Optimists, Rotary, and Kiwanis encourage the fraternity of local businessmen. And as one might expect in a thriving business community, Brown County has a strong chamber of commerce.

In the housing arena, four neighborhood groups now operate in Green Bay, covering the near west side, the far northeast, the downtown urban area, and the southeast side. Only one predates the housing allowance program. Brown County's elderly are represented by a number of civic organizations and by a government coordinating committee known as the Brown County Commission on Aging. Those organizations pursue the interests of their constituents, supporting existing programs that benefit the elderly and suggesting new ones.

In the public sphere, a number of government bodies and committees exercise responsibilities that bear on the allowance program. The Brown County Housing Authority is the funding channel for the allowance program, under HUD contract. In addition, various local housing authorities administer low-rent public housing and other assistance programs.[12] Two other government bodies, the Neighborhood Rehabilitation Committee and the County Redevelopment Authority, have figured in the disbursement of Community Development Act funds.[12] Before its dissolution in September 1976, the rehabilitation committee also coordinated the four neighborhood groups.

In our three years in the county, the only notable political rivalry and infighting has been between the rehabilitation committee and the redevelopment authority.[13] For the most part, Brown County's organizations function in a strikingly harmonious atmosphere, each pursuing its goals without threat or challenge.

St. Joseph County

St. Joseph County's economy and demography combine to give it many characteristics of much larger metropolitan areas. Its ethnic and socioeconomic diversity is strikingly different from Brown County's, and the presence of five universities and colleges with a combined enrollment of more than 16,000 students adds to the mix.[14]

It is understandably difficult for St. Joseph County residents to share a broad sense of community like that in Brown County. Instead,

allegiances form among smaller groups of people with common backgrounds, interests, or values. The result is a mosaic of special-interest groups, whose members are united by common goals, concerns, or grievances. It is these groups, rather than the entire community, that are most apparent to the outsider. Table 2.4 lists representative groups in St. Joseph County, limited to organizations with which the HAO has had direct contact. It makes clear the heterogeneity of the county's organizations, and suggests the flavor of local concerns.

Groups often coalesce around an issue of concern to their members, then retreat from the political arena once the issue is resolved. For example, when Mexican-American organizations advocated that Pulaski Park be renamed after Cesar Chavez, the Central Polish-American Organization (Centrala) mobilized and obtained 2,000 signatures opposing the change.[15] The battle won, Centrala resumed its preoccupation with the Polish community's internal affairs.

Many groups clash regularly, and most controversies are reported by the press. But the heat generated seldom radiates beyond the immediate participants. Unless they themselves are directly affected by the issue at hand, most residents remain uninvolved, unruffled, and probably unaware as well. Tensions from divergent interests are evident mainly in the way different social groups monitor public events, alert for issues that may impinge on their self-interest.

Table 2.4

REPRESENTATIVE ORGANIZATIONS IN ST. JOSEPH COUNTY, 1974-76

<i>Local Agencies or Associations</i>	<i>Housing Industry Groups</i>	<i>Political or Social Action Groups</i>
Action, Inc. Clay Township Neighborhood Center Comprehensive Employment Training Agency (CETA) Council for the Retarded of St. Joseph County Hansel Neighborhood Center LaSalle-Fillmore Neighborhood Center Legal Aid Society Advocates Mental Health Association of St. Joseph County Mishawaka Housing Authority Model Neighborhood Planning Agency Planned Parenthood Association REAL Services, Inc. RENEW, Inc. St. Joseph County Department of Welfare St. Joseph County Extension Office St. Joseph County Public Health Association Social Security Administration Social Service Council South Bend Housing Authority Urban League of South Bend and St. Joseph County Youth Service Bureau	Home Builders' Association of St. Joseph County Indiana Apartment Association, South Bend Chapter Investment Property Owners Association South Bend-Mishawaka Board of Realtors Women in Construction	Association of Democratic Clubs of St. Joseph County Broadway Christian Parish Christian Action Commission Human Rights Commission Justice and Peace Commission River Park Democratic Club St. Joseph County Fair Tax Association South Bend Civic Planning Association
<i>Business, Fraternal, or Social Groups</i> American Legion Post 50 Antlers of the Elks Disabled American Veterans Doctors of Jazz (CB radio club) Exchange Club Kiwanis Club Michiana Citizens Band Mishawaka B-K Club Mishawaka Breakfast Exchange Club Mishawaka Exchange Club Mishawaka Lions Club Mishawaka "Racetrack" Group New Carlisle Businessmen New Carlisle Lions Club North Liberty Lions Club Northside Mishawaka Businessman's Association Optimist Club Rotary Club of Mishawaka St. Pierre Ruffin Club South Bend Eagles Lodge South Bend Lions Club South Bend Rotary Club Top Management Club VFW Ladies' Auxiliary Walkerton Chamber of Commerce Walnut Grove Women's Club	<i>Neighborhood Groups</i> Block Clubs of West Colfax Avenue Homeowners of the Near Northwest, Inc. Northeast Neighborhood Association	<i>Church Groups</i> Christian Women's Fellowship Gloria Dei Lutheran Church Grace United Methodist Church Men's Club Men of the Olivet (Olivet AME Church) St. Augustine's Church St. Mary's Polish National Catholic Church St. Paul's Bethel Baptist Church Southside Christian Church
	<i>Other Groups Concerned with Housing</i> Concerned Citizens for Decent Housing Neighborhood Coalition Urban Coalition	<i>Other Community Organizations</i> Adult Education Learning Center American Association of University Women League of Women Voters Mishawaka Ministerial Association National Paraplegic Association, St. Joseph County Chapter SOUND: Parents and Teachers of the Hard of Hearing Southern University Alumni Association Urban League Manpower Training Visiting Nurse's Association Young Men's Christian Association
	<i>Minority or Ethnically Oriented Groups</i> Achievement Forum American Migrant Opportunity Services (AMOS) Black Society Club Congress of Afrikan People Hungarian Community Group Jolly Travelers Club Mexican-American Council Midwest Council of La Raza NAACP Polish Democratic Women's Club Progressive Household of Ruth Relocated Vietnamese Refugees Unico of Michiana Voice of Peace	
	<i>Groups Representing the Elderly</i> First Bretheren Church Golden Years' Club Forever Learning Institute Harvest House Howard Park Senior Citizens Club Mishawaka American Association of Retired People New Carlisle "Over 50" Club Northwest Side Senior Citizens North Liberty "Over 60" Club Retirees of Wheelabrator-Frye Senior Citizens at Martin Luther King Center	

SOURCE: Compiled by HASE staff from records of the HAO and the Rand Site office in St. Joseph County. Organizations listed are those to whom the HAO made program-related presentations or who initiated contact with the HAO during the 30 months ending December 1976.

NOTE: For further detail on these organizations, see the series of working notes monitoring the allowance program in St. Joseph County for this period, listed in the Bibliography.

Certain grass-roots characteristics are observable in government as well, particularly organizational proliferation and an adversary political style. Although St. Joseph County has fewer governmental bodies than Brown County, its three major governments--for South Bend, Mishawaka, and the county as a whole--are more complex. Each has numerous departments, boards, committees, commissions, and authorities, with varying jurisdictions and responsibilities.

Institutionally, the adversary style is apparent in the rivalry between South Bend and Mishawaka. Mishawakans pride themselves on their community's insulation from the poverty, crime, drug abuse, and social tension they believe afflict South Bend. They are also wary of any threat on the part of the larger city to Mishawaka's separate identity or self-government. But the adversary theme is nowhere more apparent than in St. Joseph County's political campaigns and the relations between its public officials. Campaigns are generally much more hotly contested than those in Brown County, and occasionally become remarkably aggressive. Even in office, officials have engaged in highly publicized, protracted feuds, trading accusations and even calling for each other's resignation.

NOTES TO SECTION II

1. For a full account of selection procedures and the information on which decisions were based, see HASE Staff (1972), and Dubinsky (1973).

2. Life-cycle stages are defined and discussed in the Second Annual Report of the Housing Assistance Supply Experiment (1976, pp. 81-85). Note that two additions--stages 8 and 9--have been defined in Table 2.1, allowing us to separate the elderly (age 62 or older) from older couples or single heads, age 45 through 61. In several earlier reports, those age groups were combined.

3. Stage 9 is an exception. Those households are mostly elderly single persons living alone; that more of them in St. Joseph County have jobs probably reflects their lack of an income large enough to support retirement. Many who were employed in manufacturing for most of their working years lost their pension rights when factories closed and their jobs disappeared.

4. Our estimate of the number of Mexican-Americans is higher than the 500 Mexican foreign stock listed in the 1970 census but less than the 2,500 or more claimed by local Mexican-American community leaders.

5. Many social and political clubs have strongly ethnic memberships. Until a few years ago, for example, one had to be Polish to join the most important, the West Side Civic and Democratic Club. And it is no coincidence that the Polish-American celebration of Dyngus Day (the Monday after Easter) traditionally marks the beginning of South Bend political campaigns. While ethnic life styles and behavior patterns are more obvious in St. Joseph County, our survey data failed to reveal evidence of correspondingly greater personal

identification with such groups. Thus, while Poles, Hungarians, and other white ethnics are more likely to band together in St. Joseph County, they are no more likely than Brown County ethnics to say their heritage is important to them.

6. The numbers reported for St. Joseph County were provided by the HUD Indianapolis area office, the South Bend Housing Authority, and the Mishawaka Building Department. For Brown County, sources were the Brown County Housing Authority and the Rand office in Green Bay. Some figures have been updated from those published earlier.

7. Brown County had a long and successful experience with subsidized homeownership, however. Between 1965 and 1973, approximately 700 newly constructed units were earmarked for homeowner subsidies under Sec. 235 of the National Housing Act.

8. While rural jurisdictions in Brown County resent the rapid urbanization of the county, that resentment seems rooted in a desire to preserve farm communities from further encroachment and is a far cry from the jurisdictional enmity apparent in St. Joseph County.

9. It is difficult to exaggerate the importance of the Green Bay Packers to life in Brown County. Lambeau Field, home of the Packers, can seat 56,000 (nearly one out of three county residents) and is sold out for every game. It is not unusual for more than 50,000 fans to watch intrasquad practice. Season tickets are much prized, with over 6,000 people on the waiting list, and their disposition often

figures in wills and divorce settlements. Although the Packers play only four regular season games a year in Green Bay, and in recent years have lost most of those, the local sports pages carry stories on the team all year round.

10. In November 1976 the county reported 432 current Class B liquor licenses--one for every 400 residents. The figure includes taverns proper and eating establishments that serve liquor as well as food. While liquor licenses do not distinguish between the two categories, establishments in the first far outnumber those in the second.

11. The local authorities include the Pulaski, Denmark, and De Pere housing authorities, and the Oneida Housing Authority based in Hobart.

12. The most significant use of such funds is for the Housing Rehabilitation Loan and Grant Program, which provides money for some who could not qualify for a housing allowance without repairing their home.

13. Their conflict appeared to result from an imbalance of power that was keenly felt by the rehabilitation committee, which had been formally charged by the mayor with forming a plan for housing allocations received under CDA funding. But because actual control of the funds was vested in the redevelopment authority, the committee had little control over implementation. Eventually, key committee members resigned, and the committee itself disbanded. For a running

account of the conflict between the organizations, see the forthcoming Brown County site monitoring reports listed in the Bibliography.

14. They include the University of Notre Dame, with a 1974-75 enrollment of 8,550; Indiana University at South Bend, with 5,000 students; St. Mary's College, with 1,500 students; Indiana Vocational and Technical College, with 675 students; Bethel College, with 400 students; and Holy Cross Junior College, with 275 students.

15. See O'Neil and Shanley (1977 (a), pp. 29-30).

III. PROGRAM DEVELOPMENT DURING THE FIRST TWO YEARS

The chronology of HASE program development can be divided into four stages: (a) formal planning; (b) obtaining local government approval; (c) initiating open enrollment; (d) in St. Joseph County, expanding into neighboring jurisdictions. Each stage was accompanied by news media coverage that provided the public with facts about the program and at the same time suggested (by its tone) grounds for approval or opposition. That is, each stage is also a stage in the development of attitudes toward the program.

Formal planning for the experiment began in April 1972. The next 18 months were spent selecting sites, detailing the research design, and working out the legal problems and administrative arrangements for the allowance program. Both the research and program designs were approved by HUD in October 1973, though the latter did not surmount its final legal hurdle until February 1974.

Brown County was chosen as the first experimental site late in 1972, and onsite preparations for both fieldwork and program operations began early in 1973. Because of difficulties in obtaining approvals from suburban governments, St. Joseph County was not designated as the second site until April 1974, and even then the program was limited to South Bend. In general, events in St. Joseph County lag behind those in Brown County by six months to a year.

Open enrollment in Brown County's program began in June 1974. In St. Joseph County, limited invitational enrollment began in December 1974. Thus, June 1976 marked the end of two years of program operation in Brown County, while December 1976 is the corresponding anniversary for St. Joseph County.

BROWN COUNTY

From the beginning of the negotiations that led to Brown County's selection as an experimental site, relations with local officials and civic leaders have been extremely cordial. At no time has the program's implementation been impeded by public controversy or factional dissent--which is not to say that community leaders have been entirely uncritical. They have often voiced concern about program features such as the lease requirement for renter participants, housing quality standards, the level of benefits, and the possibility that the program would attract immigrants. But the concerns have been expressed in the context of general support for the program.

Negotiations for Local Approval

Under the federal statute authorizing program funds for the experiment, [1] operation of the program within a local jurisdiction requires approval by the governing body of that jurisdiction. Federal law also requires funding through a local public agency--usually a housing authority. Because the allowance program

was slated to operate throughout Brown County, it was necessary to obtain separate approval from each city, town, township, and housing authority, and to establish a new countywide housing authority.

Despite the complexities, negotiations in Brown County proceeded without difficulty. Every civil division in the county--the county itself, two cities, four villages, 18 townships, and an Indian tribal council--decided to participate and signed a memorandum of understanding with HUD. The Brown County Housing Authority was organized to conform with statutory requirements, and its board members were duly appointed by the county executive and approved by the county board of supervisors. Each civil division signing the memorandum authorized the housing authority to operate within its jurisdiction.

The approval process served to inform the community about the experiment, laying the basis for outreach efforts to stimulate enrollment. Local reviews also revealed the early concerns of the community about the program. Among the fears expressed were that

- The program would become a welfare magnet attracting migrants who would inflate county welfare rolls.
- The program could not adequately differentiate the needy from the undeserving so as to help the latter while turning away the former.
- Program termination would pose serious problems for participants and the community at large.

None of those matters, however, became serious obstacles to adoption of the program, although the approval process was time-consuming. Thirty-four separate official approvals were required; the first was obtained in January 1973 and the last in August 1974. With the exception of Hobart, a rural township, all the agreements were secured before open enrollment began in June 1974.

Growth of the Allowance Program

The HAO was incorporated in October 1973, and temporary office space was secured late in December. On 14 December 1973, the HAO's board of trustees formally approved its articles of incorporation, adopted bylaws, and ratified the appointment of its director and deputy director. Core staffing was quickly completed, and when the HAO opened for business in mid-June, a total of 39 employees had been hired and trained. At the end of September, there were 58 employees, and the HAO had moved into permanent quarters.

The first applications from the general public were accepted on 19 June 1974 (a few applications had been invited and processed earlier to test the system). Within three months, over 1,200 preliminary applications had been received and 454 households were enrolled in the program. By the end of the first year, enrollment had grown to 2,883 households, about 36 percent of all eligible households in the county.

Growth during the second year proceeded more slowly, as new enrollments were partly offset by terminations. By the end of June 1976, current enrollment stood at 3,377 households, of which about 2,800 were receiving payments. An additional 1,341 households had terminated their enrollment.

Media Coverage

Media coverage of the allowance program has been consistently favorable in Brown County. At first, substantial coverage was generated by the newsworthiness of the program's opening. Since then, the news media have not followed the program closely, and only rarely have unsolicited news stories appeared. The HAO periodically issues press releases, which are generally published unaltered. But the major source of publicity concerning the program has been HAO outreach and advertising.

Outreach

The success of the experiment depends on a high level of awareness among those who are eligible for the program. Only if we are sure the public is well informed can we accurately gauge its response to the program. If households do not enroll in the program because they are unaware of its existence, we will learn nothing from their behavior. If they know about the program but choose not to participate, we will learn a great deal.

To promote community awareness, the HAO adopted an outreach program designed to inform as many eligible households as possible. It began in October 1974 with over 300 paid radio commercials, distribution of more than 4,000 brochures, and numerous presentations to client-oriented groups. Newspaper advertisements were added the following month, and later campaigns featured television advertising, extensive mailings, and placement of posters in churches and stores and on buses.

Those measures were extremely successful in stimulating awareness of the program; in the three months after outreach began, client contacts totaled 3,806, compared with 1,237 the preceding three months. They also produced a backlash, for many residents objected to the idea of advertising the availability of tax-supported benefits. Because of such reactions, paid advertising has since been used cautiously. Outreach efforts are calibrated to the flow of applications, tapering off when a backlog develops and resuming when it is processed or when inquiries about the program decrease.

ST. JOSEPH COUNTY

From the beginning, the attitudes of community leaders and interest groups in St. Joseph County have contrasted sharply with the leadership consensus in Brown County. In the latter, no organized opposition to the program has ever surfaced. In the former, some have vigorously supported it, while others have opposed it altogether or sought management or policy changes. Such a difference between

sites was not unexpected, given St. Joseph County's ethnic, racial, and socioeconomic complexity and the attendant competition for political influence between Republicans and Democrats, cities and suburbs.

Negotiations for Local Approval

The most consistent early support for the program came from the mayor and city council of South Bend, whose strong endorsement convinced Rand and HUD that the county was viable as an experimental site. Officials of Mishawaka and the county probed repeatedly into the contractual relationships that would be required for their participation, as well as into issues of program design and operation.

In November 1973, HUD and Rand sought approval from all 10 governments in St. Joseph County, but concentrated on the governments of the county and the cities of South Bend and Mishawaka. During the first three months of 1974, South Bend approved the program without difficulty; the Mishawaka City Council voted against it, and discussions with the county broke off when agreement could not be reached on the issues of local control and program administration. During the summer and fall of 1974, Rand concentrated its efforts on starting the allowance program in South Bend. The housing allowance office was incorporated in July; the annual contributions contract and related delegation agreement were signed in September; and a

limited invitational enrollment began in December, with full enrollment slated for April 1975.

Meanwhile, elections in Mishawaka and a change in governmental structure for the county made it possible to resume negotiations for extending the allowance program. Late in 1974, the county commissioners had attempted to permanently block the county's entry into the program by creating a county housing authority with a board composed entirely of allowance program opponents. However, the new county council "deactivated" the housing authority in February. Unfortunately, that move created more legal difficulties concerning county participation. By June 1975, attorneys for the housing allowance office, working with the county council, had worked out a partial resolution to the problem, which took advantage of a state law permitting the South Bend Housing Authority to extend its jurisdiction five miles into the county. An ordinance authorizing such an extension was approved on 10 June.

Mishawaka's elections in November 1975, in which all but one of the council members who had opposed the program were defeated, renewed optimism about the possibility of Mishawaka's entering the program, and negotiations were resumed in January 1976. Much of the support for the allowance program came from those interested in the money it would bring the community. One council member thought the program would be the equivalent of a new factory payroll. Others thought it would be good for the elderly.

Opposition ranged from concern about "undeserving" persons getting payments or whether jobs would be available for Mishawaka residents to the fear that great numbers of blacks would move to Mishawaka. As one council member suggested, "We don't want South Bend's problems." A member who had voted for the program in 1975 became one of its most outspoken opponents, though his objections were apparently based on a general opposition to the proliferation of government programs.

After several postponements, the matter came to a vote on 18 March 1976. A resolution supporting the program did not receive complete support but was approved, five to four. On 16 June the program was extended to the five-mile belt around Mishawaka. Closely following Mishawaka's acceptance, three small towns also voted to participate--Walkerton joined in April 1976, Osceola in May, and Lakeville in June. They had been preceded by Roseland (August 1975) and New Carlisle and North Liberty (November 1975). Indian Village, a small incorporated area with a population of about 80, joined the program in November 1976. By the end of the second year, then, county participation was complete.

Growth of the Allowance Program

During a 10-week period of invitational enrollment, the HAO received 285 preliminary applications and enrolled 103 households, all homeowners who had been contacted by mail. When enrollment was opened to the general public in April 1975, the response was larger than expected. In the first month, the HAO received over 1,350

preliminary applications--more than Brown County's HAO had received in its first four months, and particularly striking in view of the fact that the program's jurisdiction was limited to South Bend, whose population is less than the total for Brown County.

By the end of the first program year, 3,266 households were enrolled; by the end of the second, the number had increased to 5,284 households, about 34 percent of the eligible population. Of those, 3,200 were authorized to receive payments.

Relationships with Community Groups

Local organizations have reacted both favorably and unfavorably to the allowance program. One civic group that provides social services to the elderly has lobbied for the program; a taxpayer's association has been persistently hostile, and a group that operates social programs in low-income neighborhoods was at least briefly so. Leaders of two organizations representing minorities, while not opposing the program in principle, have attacked program features that seemed to them prejudicial. One, a local NAACP officer, sought a more forceful desegregation policy; others, representing a Mexican-American organization, successfully sought revision of the HAO policy that delayed action on enrolling new residents. A Mishawaka developer argued that adoption of the program would cut off federal funds for new rental housing.[2] And the South Bend Housing Authority charged that the allowance program draws away many of its "best" tenants, causing the authority financial difficulties.

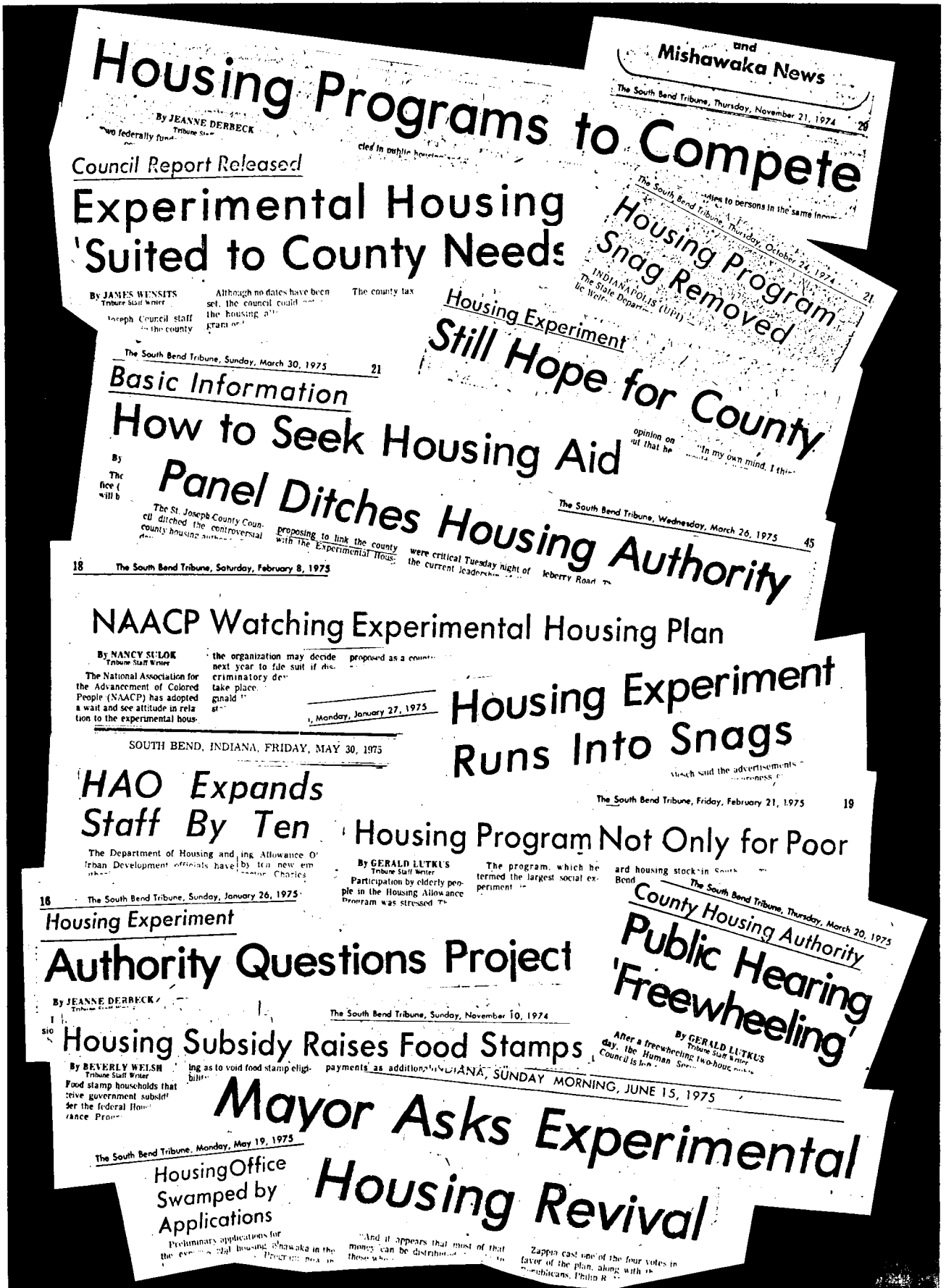
Some objections have focused on program management. For example, a labor union accused the HAO of improper conduct in soliciting nonunion bids to renovate its permanent quarters; the owner of a downtown office building complained that in choosing its office space, the HAO had not supported efforts to reinvigorate the city's central business district.

The white ethnic groups that are so important in the social and political structure of the county have not formulated positions toward the program, although some leaders have offered public support. The exception is a group of Hungarian immigrants, who persuaded a member to withdraw his application for enrollment because it required information on household composition and income.

The contrast with events in Brown County, where there has been no organized criticism of the allowance program, is striking. It is also notable that most complaints about the program in St. Joseph County have been based less on objections in principle than on concerns for special constituencies.

Media Coverage

In St. Joseph County, the news media have provided consistently sympathetic editorial support for the program, and their reportage has been generally reliable and accurate. Occasionally, however, the headlines accompanying carefully written news stories have tended toward the sensational, promising more drama than the story itself contains (see Fig. 4). Unlike the Brown County program, St. Joseph



Housing Programs to Compete

By JEANNE DERBECK
Council Report Released
Experimental Housing 'Suited to County Needs'

Although no dates have been set, the council could...
The county tax...

Mishawaka News
 The South Bend Tribune, Thursday, November 21, 1974

Housing Program Snag Removed

Housing Experiment Still Hope for County

Indianaapolis (UPI)...
opinion on...
In my own mind, I thi...

The South Bend Tribune, Sunday, March 30, 1975

Basic Information

How to Seek Housing Aid

By...
The...
will b...

Panel Ditches Housing Authority

The St. Joseph County Council ditched the controversial...
proposing to link the county with the Experimental Housing...
were critical Tuesday night of the current leadership...

The South Bend Tribune, Saturday, February 8, 1975

NAACP Watching Experimental Housing Plan

By NANCY SULLOK
The National Association for the Advancement of Colored People (NAACP) has adopted a wait and see attitude in relation to the experimental housing...
the organization may decide next year to file suit if discriminatory dev... take place...

Housing Experiment Runs Into Snags

which said the advertisements...
 The South Bend Tribune, Friday, February 21, 1975

HAO Expands Staff By Ten

The Department of Housing and Urban Development officials have...

Housing Program Not Only for Poor

By GERALD LUTKUS
Participation by elderly people in the Housing Allowance Program was stressed...
The program, which he termed the largest social experiment...

Housing Experiment Authority Questions Project

By JEANNE DERBECK

Housing Subsidy Raises Food Stamps

By BEVERLY WELSH
Food stamp households that receive government subsidies for the federal Housing Allowance Program...

County Housing Authority Public Hearing 'Freewheeling'

By GERALD LUTKUS
After a freewheeling two-hour day, the Human Services Council is...

The South Bend Tribune, Monday, May 19, 1975

Housing Office Swamped by Applications

Preliminary applications for the experimental housing program...

Mayor Asks Experimental Housing Revival

And it appears that most of that money can be distributed...
Zappa cast one of the four votes in favor of the plan, along with...

SOURCE: HASE archives

Fig. 4—Headlines from the program's first year in St. Joseph County

County's frequently makes the news. The impressions of eligibles (and the public at large) must have been unavoidably affected by that fact, though the data reviewed in this report suggest that the effects of the extensive publicity are less than one might suppose.

Outreach

Like its counterpart in Brown County, the St. Joseph County HAO has conducted outreach campaigns designed to familiarize the eligible population with the program. Although there has been some adverse reaction to the use of advertising, it has not been as strong as in Brown County.

Overall, the St. Joseph County HAO has spent more per eligible household on media outreach than has the Brown County HAO. More than half the paid advertising has gone to television, as compared with only 15 percent in Brown County.[3] The HAO has also made use of newspaper ads, mailings, and brochures. As in Brown County, outreach seems to have generated contacts with potential clients and hastened the growth in community awareness of the program.

The contrasting experience in program development in the two sites is instructive. In Brown County, leadership consensus in support of the program ensured a smooth and orderly startup. In St. Joseph County, negotiations were both protracted and complex, and the process of obtaining approval led to a great deal of publicity and controversy.

Program managers rapidly became adept at public relations, at which they spent a great deal of time.

In both sites, particularly Brown County, advertising and outreach have had to be handled sensitively. The success of the experiment required rapid diffusion of program information to those potentially eligible for benefits, but that goal had to be achieved without offending those who objected to advertising the availability of income transfer payments.

NOTES TO SECTION III

1. Section 23 of the U.S. Housing Act of 1937.
2. Under Sec. 236 of the National Housing Act.
3. The greater emphasis on television reflects the local orientation of St. Joseph County television stations; Brown County stations serve a much broader region.

IV. GROWTH OF COMMUNITY AWARENESS

To interpret rates of participation in the allowance program, it is critical to measure program awareness.[1] Households may fail to participate out of ignorance or by choice, and those alternative explanations can only be distinguished if we know how many eligible households have enough information about the program to prompt a conscious choice.

Measuring program awareness also helps illuminate the response of nonparticipants. Support or opposition for government programs often forms despite vagueness about their particulars. The views of nonparticipants may be based on informed observation and experience, or may represent more general attitudes based on little specific knowledge.

KEY FINDINGS

From the outset, program recognition has been greater in St. Joseph County than in Brown County. In our baseline survey, a quarter of all households in Brown County said they had heard of the program, compared with a third in St. Joseph County. The difference in favor of St. Joseph County has persisted as awareness has grown in both communities.

In both sites, program recognition grew rapidly during the early months of program operation. At the end of one year, four out of

every five households in Brown County and seven out of eight in St. Joseph County said they had heard of the program. We attribute that rapid growth to extensive media coverage and to the HAO's outreach efforts.

At baseline in St. Joseph County, only three-fifths of those claiming to have heard of the program could supply any details about its purpose or operation, and of those who did, some had manifestly confused it with other forms of housing assistance. At most, 16 percent of all households possessed solid, detailed knowledge at baseline, considerably less than the 34 percent who claimed to have heard of the program. In both sites, landlords were only slightly more likely than the general public to say they knew about the program.

Our respondents conceived of the program primarily in terms of who it helps, what it helps people do, and its possible beneficial effects on housing and neighborhoods. Their descriptions echoed the information provided to the community by program managers and ignored the debates that occupied the community's political leadership.

DISTRIBUTION OF PROGRAM KNOWLEDGE AT BASELINE

Because media coverage and HAO program presentations were more extensive in St. Joseph County during the preenrollment period, we expected community awareness to be greater there than in Brown County. That proved to be the case.

Awareness Level 1

At baseline, the majority of households were unaware of the allowance program. About 34 percent of all households in St. Joseph County had heard of the program before open enrollment, a third more than in Brown County. Compared with the rest of each county's population, landlords were only slightly more likely to claim program awareness (about 36 percent of St. Joseph County's landlords and 32 percent of Brown County's).

Paradoxically, the informational advantage displayed by landlords was very small. We expected them to pay more attention to program news, since they were more educated, had higher incomes, and had a greater stake in the housing market than the rest of the county's population.[2] Moreover, as property owners, they should have been especially likely to know those active in early program-related transactions. But reasonable as those hypotheses are, the data do not bear them out.

Awareness Levels 2 and 3[3]

In St. Joseph County, considerably fewer people could supply accurate or unique details about the allowance program than recognized its name. Of the households who said they had heard of the program, fully half either could provide no further details whatsoever or had clearly confused the allowance program with something else (see Table 4.1). Level 2 awareness (which includes saying anything, no matter

Table 4.1

PROGRAM CHARACTERISTICS MENTIONED BY LEVEL 2
RESPONDENTS: ST. JOSEPH COUNTY, BASELINE

Characteristic	Household Heads ^a		Landlords	
	Number	Percent	Number	Percent
Who program helps	236	56	219	66
What program helps people do ^b	117	42	153	46
Effects on housing	115	27	105	31
Effects on neighborhood or community ^c	25	6	20	6
Experimental aspects	29	7	30	9
Specific features	37	9	42	13

SOURCE: Tabulated by HASE staff from records of the survey of households and the survey of landlords, Site II, baseline.

NOTE: Entries are based on open-ended responses of 423 household heads and 334 landlords classified as aware of the program (level 2). The number of responses sums to more than these totals because some respondents mentioned more than one characteristic. Levels of program awareness are defined on pp. 14-16.

^aExcludes resident landlords.

^bExcludes comments about housing improvements.

^cIncludes comments about effects on the local community or government.

how general, that could be construed as applying to the allowance program) can be extrapolated for 16 percent of all households in the county, or about half of those estimated to have heard of the program. However, our most stringent criterion for program knowledge (level 3) suggests that only a tiny fraction could distinguish the allowance program from other housing programs, as the table below shows:

Awareness Level	County Population of Households	
	Number	Percent
1. Had heard of program	25,152	33.8
2. Gave accurate details	12,280	16.5
3. Gave unique details	1,610	2.2
All households	74,332	100.0

Landlords closely resemble household heads, although the former were slightly less likely to demonstrate manifest confusion with other programs and slightly more likely to make appropriate comments or cite distinctive program features. But their advantage over the population as a whole was quite small.

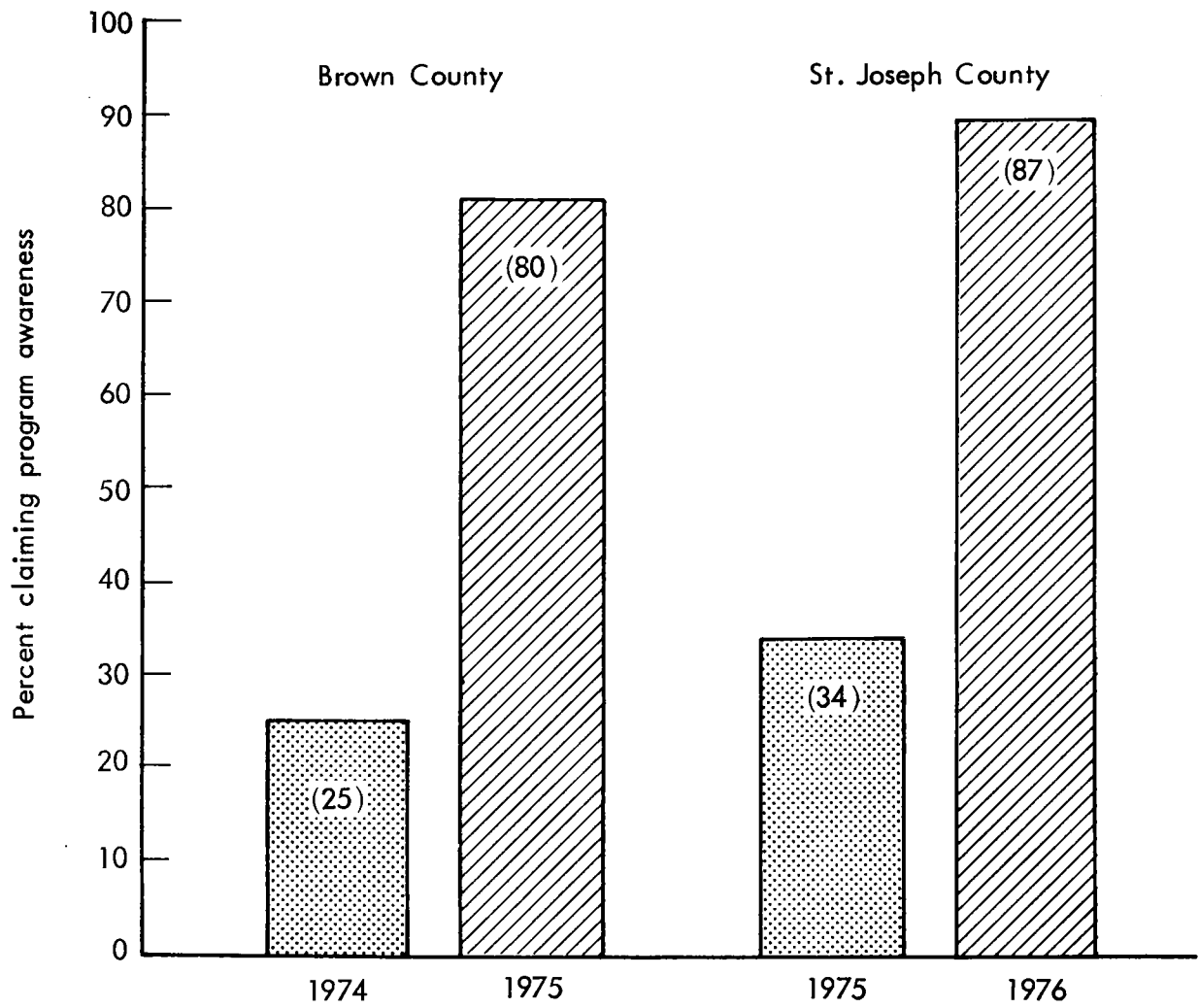
The awareness profiles gain meaning from social science findings that public controversy over a new program rarely reaches most citizens.[4] Thus, most people in St. Joseph County remained ignorant of the heated debate over program participation

that was occupying the Mishawaka City Council and the county commissioners. Nor were they any better informed about the program's "competition" with the South Bend Housing Authority, the picketing of the HAO, the program's effects on the cost of food stamps, the NAACP's complaints about the potential for de facto segregation, or reports of enrollment difficulties in Brown County.

The minuscule fraction of the population that was unambiguously familiar with the allowance program also accords with social science findings from comparable situations.[5] The infrequency with which respondents mentioned unique aspects of the allowance program indicates that such ideas are of marginal interest compared with a broad message--in this case, that the program helps people with housing expenses.

GROWTH IN PROGRAM RECOGNITION

If program recognition was initially low, it grew quickly once the allowance program began. Figure 5 displays the increase in level 1 awareness during the program's first year in each site. Whereas a substantial majority of respondents professed ignorance of the program at baseline, by the end of the first year, four out of five households in Brown County and seven of eight in St. Joseph County claimed to have heard of it.[6] We attribute that rapid growth largely to the HAOs' efforts to familiarize the communities with the program's existence, benefits, and requirements.



SOURCE: Baseline and wave 2 household surveys in each site

Fig. 5—Growth in program awareness during the first program year : households in Brown and St. Joseph counties

Although the level of program recognition attained by the end of the first year leaves little room for further growth, understanding of the program's underlying concepts and knowledge of its operation can grow even after recognition is nearly universal. Future analyses are likely to document increased diffusion of level 2 and 3 awareness throughout each experimental site.

HOW THE PROGRAM IS DESCRIBED

Dissecting the verbatim descriptions provided by aware respondents (level 2) reveals which program features struck them as important (see Table 4.1). Those respondents typically focused on three features: who the program helps, what it helps people do, and how it will affect housing. A closer look at the three dominant categories (see Table 4.2) reveals the following:

- Respondents who described the program as helping people most often mentioned low-income or poor people, then renters.
- Respondents who focused on what the program helps people do most often mentioned paying housing costs and moving to better housing or neighborhoods.
- Respondents who anticipated program effects on housing quality typically cited improvement.

Those responses bear little relationship to preprogram publicity or to the concerns expressed in early policy discussions of housing allowances.[7] They point toward a hypothetical "modal" response:

Table 4.2

DETAILS OF THREE PROGRAM CHARACTERISTICS MENTIONED BY LEVEL 2
RESPONDENTS: ST. JOSEPH COUNTY, BASELINE

Detail	^a Household Heads		Landlords	
	Number of Responses	Percent of Category	Number of Responses	Percent of Category
<i>Who Program Helps</i>				
Poor or low-income people	149	41	118	35
Renters	75	20	109	32
Homeowners	45	12	40	12
Families	35	10	24	7
Elderly or disabled people	34	9	11	3
Minorities	6	2	4	1
Undeserving people or cheats	6	2	5	1
Landlords	3	1	10	3
Other	13	4	19	6
Total	366	100	340	100
<i>What It Helps People Do</i>				
Pay housing costs	90	43	114	61
Move	72	35	53	28
Raise living standards, pay bills	37	18	11	6
Live where they like	7	3	10	5
Other	2	1	0	0
Total	208	100	188	100
<i>Expected Effects on Housing</i>				
Upgrade existing housing	86	73	87	78
General effects ^b	17	14	13	12
Other ^c	15	13	11	10
Total	118	100	111	100

SOURCE: Tabulated by HASE staff from records of the survey of households and the survey of landlords, Site II, baseline.

NOTE: Entries are based on descriptions by 423 household heads and 334 landlords classified as aware of the program (level 2). Category totals differ from those in Table 4.1 because they refer to the total number of times each characteristic was mentioned rather than the total number of respondents mentioning each characteristic. Levels of program awareness are defined on pp. 14-16.

^aExcludes resident landlords.

^bRefers to statements that the program will affect housing, without any further details.

^cIncludes effects on demolition and replacements, new construction, and rents.

The housing allowance program helps the elderly and those with low incomes, both renters and homeowners, pay their housing and other expenses, fix up their housing units, and move to better housing or neighborhoods.

Notably absent from that description is any mention of minorities or the "undeserving" as major recipients; issues of local control; undesirable effects on neighborhood racial composition or general quality; or rent inflation.[8] Nor is there mention of pickets, concern about de facto segregation, speculation as to why Mishawaka and the county declined to participate, or other conflicts reported by the media. Notably present are the main features of the program as described by its managers.

Conflicts over the program among St. Joseph County leaders evidently failed to capture the public's attention. The average citizen with some program information focused largely on concrete, near-term goals--and on the fact that specific groups would be helped to obtain adequate housing--rather than speculating about long-term effects. When he did speculate, he emphasized positive effects, such as improvements in housing quality.

Another interesting feature of the program descriptions is their emphasis on ideas related to housing. Given earlier work on political party images, we expected people to emphasize the issue of who benefits.[9] But we did not expect so many to know that both

renters and homeowners are eligible or that the program facilitates making repairs and improvements to existing housing.

The program descriptions provided by landlords, summarized in the last two columns of Table 4.1, closely parallel those of the general population. Landlord descriptions were somewhat lengthier and more detailed, so that the percentage citing any given feature is generally higher than that for tenants and homeowners. The more detailed classification of responses in Table 4.2 reveals slight differences of emphasis in landlord responses. Compared with household heads, landlords were somewhat more inclined to cite renters and landlords as groups likely to benefit from the program.[10] In describing what the program would help people do, they more often noted assistance in paying housing costs, less often its general effects in raising living standards. Their emphasis clearly reflects their own concerns.

In general, then, the average citizen saw the allowance program in terms of who it should help and how. While controversies in the press may have increased awareness slightly, the underlying issues did not seep down to the general public. As politicians know, bad publicity is often better than none. From their own descriptions, St. Joseph County residents wanted most to know how the allowance program would help themselves and others. They obtained that information from the press releases and speeches of the program's managers and largely ignored or forgot about the debates occupying community leaders.

Section V further elaborates the gap between the program perceptions of community leaders and those of the general public. But three important points emerge from the analysis so far:

- Program recognition diffused rapidly during the first year of program operations, leaving little room for subsequent growth in level 1 awareness.
- Political controversy over a social program does not necessarily reflect the concerns of the general public.
- Such controversy may enhance awareness of an issue but fail to influence what people remember about it.

Hence, early outreach efforts for new programs are likely to accelerate growth in simple recognition, but later efforts may increase understanding of program goals and operations. In addition, program managers should not equate the views of the community leadership with those of the average citizen. To do so runs the risk of overemphasizing controversies the general public has ignored and underemphasizing opinions that affect participation rates. For, as we suggest below, the general public's attitudes may have a greater impact on the participation and self-image of participants than the attitudes of community leaders.

NOTES TO SECTION IV

1. Refer to pp. 14-16 for definition and discussion of levels of program awareness.

2. For a comparison of landlord education and incomes with those for St. Joseph County as a whole, see Kanouse (forthcoming). The relationship between those variables and exposure to the media is well established. And as Sec. V reports, baseline data for St. Joseph County show that education is positively related to program knowledge.

3. Findings are reported only for St. Joseph County; as explained in Sec. I, level 2 and 3 data for Brown County are not available.

4. For a review of the literature on this point, see Sears (1969).

5. For example, Converse (1964) reports that only 3.5 percent of American voters have the relatively abstract and over-arching political philosophies that would prompt interest in program details.

6. Although weighted estimates for the entire population of landlords are not yet available for either site, results for our sample indicate that landlord awareness of the program closely approximates that of the entire population.

7. See Sec. III.

8. In fact, less than 2 percent of the descriptions of who is helped mention minorities. The total number of times unfavorable effects were mentioned is as follows: helping the undeserving (4); decreasing local control (2); downgrading neighborhoods or the

community (2); increases in rents or taxes (3); interference with private enterprise (1).

9. Converse (1964) found that most people describe Democrats or Republicans in terms of who they are "for" or "against."

10. The difference is only slight. Neither landlords nor the general public saw the program as providing a windfall to landlords.

V. EARLY EXPECTATIONS OF PROGRAM CONSEQUENCES

Even before the program began to enroll clients, those who knew about it had developed expectations about its likely consequences for the local housing market, economy, and residents. Those expectations form a lens through which the program's effects can be viewed. If early experience with the program does not depart dramatically from the expected, residents' perceptions of the program are likely to be assimilated with their expectations, and they will probably report the effects they had expected. But if program consequences differ sharply from the expected, the contrast with early expectations will probably accentuate those consequences. Small departures from the expected are likely to be overlooked, large departures to be emphasized.

Either way, expectations can play a large role in shaping early responses. Because high hopes are more easily dashed, for example, we might expect those anticipating dramatically positive effects to be disappointed if early returns prove only moderately positive, whereas those with less extravagant expectations might be pleased with the same outcome. This section examines how community leaders, landlords, and residents felt about the program's likely impact on themselves, their neighborhoods, and the larger community, and traces how early expectations were maintained, modified, or realized during the program's first year.

KEY FINDINGS

In both sites, our baseline survey highlighted the lack of congruence between the initial expectations of community leaders and those of ordinary citizens. The former tended to focus on the program's potential--positive or negative--for dramatic, countywide impact. The latter were more straightforward and low-key, focusing on whether the program would help people find decent places to live and improve the quality of housing in the county.

Among aware households at baseline, the proportion who expected it to have an effect increased as the scope of effect widened from the individual household to the neighborhood and to the county as a whole. At the end of the first year, however, more people in both sites reported that the program had affected their household rather than their neighborhood. Many still believed the program might affect their neighborhood in the future.

Few respondents either expected or observed any negative effects. For example, most people did not expect the program to increase neighborhood turnover. Only about one in five aware landlords expected the program to affect the way they managed their rental properties, and still fewer reported experiencing such an effect after the first year.

In St. Joseph County, the categories of aware eligibles who most often said they planned to apply were blacks and households occupying

deteriorating dwellings. The elderly and the better educated were least inclined to apply. The data suggest that much of the elderly's resistance resulted from pride, not disapproval of the program. We attribute the strong early response among blacks to their experience as participants in other government assistance programs, and to the greater legitimacy with which they view such participation.

METHOD OF ANALYSIS

The data on which this analysis is based derive from two sources. The early expectations of community leaders come from reports of the resident site monitors and records of negotiations with local officials. The baseline expectations of heads of households and landlords come from the two baseline surveys. For St. Joseph County, baseline expectations are gauged from coded verbatim comments by respondents who anticipated program effects. In Brown County, the information is scant, since it is based on a single question.[1] We have supplemented it with information from preenrollment presentations, news media reports, and residents' comments.

Data on later perceptions of the program's effects come from the wave 2 surveys in each site. Both surveys asked those who had heard about the program whether they thought it would affect their households, their neighborhoods, or the larger community. Most respondents were also asked whether the program had actually produced such effects. Landlords were asked about the program's effects on the management of their rental properties. Because analysis of postbaseline data is

incomplete, the findings reported for the wave 2 surveys are restricted to awareness level 1. The expectations of level 2 respondents are reported for the baseline survey in St. Joseph County only, for reasons given earlier. All other data on program effects refer to level 1 respondents.

Finally, the discussion of factors affecting early intentions of applying to the program derives from regression analyses performed on the data from the St. Joseph County baseline survey of households. The analyses are described in more detail in the community attitude report from that survey.[2]

BASELINE EXPECTATIONS IN BROWN COUNTY

Prior to its formal opening in Brown County, the allowance program elicited varying expectations. Little of the general public was aware of its existence, and few of those expressed any expectations about its countywide effects.[3] In contrast, most business and civic leaders knew about the program, and many expressed their expectations.

Community Leaders

Community leaders were apprehensive about the program on economic and social grounds. Economically, they were concerned about the program's potential inflationary effect on the housing market and about possible negative effects on the county's economy after the 10-year program ended. Some feared that rather than increasing the

flow of housing services, the additional purchasing power infused by the program would drive up prices by giving landlords an opportunity to raise rents. Others wondered what would happen to the county's housing market once the funds provided by the program were no longer available.

Socially, leaders worried about the effects of recipient mobility on neighborhood structure. Some predicted recipients would use their increased purchasing power to find homes in better neighborhoods, leaving their former neighborhoods worse off. An often-mentioned variant was that neighborhoods abandoned by recipients would become heavily populated by low-income, working-class singles under the age of 62, categorically ineligible for the program. It was thought that such singles were numerous enough, and poor enough, to provide a continuing clientele for slum landlords, who would thereby be spared the necessity of upgrading their rental units to attract tenants.

Such negative expectations, however, were matched by positive ones. The program's likely effect on the county's economy was most often seen positively: Civic leaders expected the program to reduce welfare rolls while increasing tax rolls; market intermediaries expected the program to expand real estate listings, encourage home purchase, create new demand for mortgages, and stimulate home repair; nearly everyone regarded the program funds pumped into the county's economy as a welcome stimulus.

Many leaders expected desirable social effects as well. That the program would help stabilize poorer neighborhoods was a common view. Neighborhood groups even banded together to stop the closing of a local school, on the grounds that the allowance program might well reverse the exodus of young families from the neighborhood.

We are struck by how many community leaders foresaw dramatic results, whether good or bad. Two years' experience has shown that the allowance program has brought neither disaster nor salvation to Brown County.

Landlords

At baseline, very few Brown County landlords had any firm expectations of the program's effects on them. Barely more than a third had even heard of the program. Of those, only 9 percent thought it might affect their plans for their property, 76 percent thought it would not, and 15 percent were unsure.

Heads of Households

Overall, very few residents of Brown County anticipated that the program would significantly affect their lives. Renters were more likely than homeowners to think the program might affect them (22 percent vs. 8 percent). About 12 percent of respondents who said they had heard of the program thought it might affect them; 76

percent thought it would not, and the remaining 12 percent were uncertain.

As a benchmark for the significance of those figures, we estimate that about 18 percent of Brown County's households are in fact eligible for the program--about 28 percent of all renter households and 14 percent of all homeowner households. Thus, renters' greater expectation of being affected is accurate.

BASELINE EXPECTATIONS IN ST. JOSEPH COUNTY

In St. Joseph County, there was a contrast between the early expectations of community leaders and those of the general public. Among community leaders, expectations often led to highly vocal support or opposition to the program, from a vantage point of partisan concern. The expectations of the general public were less extravagant and therefore less likely to evoke partisan fervor in those holding them.

Community Leaders

In South Bend, most leaders believed the program would stimulate the economy, providing jobs for those in housing-related industries. They also thought the program would complement the city's efforts to revitalize the downtown area and bring people back to the central city. Many expected the program to help the poor and the elderly and to improve neighborhoods, thereby curbing crime and drug abuse.

On the negative side, much of the early opposition to the program by local officials had little to do with the program itself and nearly everything to do with how it was to be run. In negotiations, the issue of local control cropped up repeatedly: If a jurisdiction agreed to participate in a countywide program, wouldn't that alter the relationships between local governments? If the program proved to have adverse effects, would it be possible to back out? And if the program were terminated, how would the jurisdiction be assured of incurring no administrative costs? Those were the main concerns; none had any intrinsic relation to the idea of housing allowances.

Despite their preoccupation with such matters, local officials expressed some concern about the effects of housing allowances. Some feared that the program would encourage black recipients to move into white suburban neighborhoods. Others argued that the lease requirement would prevent landlords from getting rid of undesirable tenants. But there were surprisingly few specific negative expectations; for example, fears about possible inflationary effects were rarely expressed.

As we saw in Sec. III, other community groups conjured up additional negative scenarios. The potential for abuse received some attention, as did the possibility that the allowance program would draw clients away from the subsidized units managed by the local housing authority. And while the baseline survey work was under way in early 1975, a local representative of the NAACP charged that without the

participation of Mishawaka, the program would foster de facto segregation.

Landlords

Table 5.1 enumerates the landlords in our sample who thought the program would affect their rental property, their tenants, their neighborhood, or the larger community. Although slightly more than half of those aware of the program thought it might affect the county as a whole, considerably fewer expected the program to affect their households, tenants, or property. Of the 44 landlords who expected an effect on their property management, only 6 said they might raise rents.[4] The rest imagined other effects, such as improved rent collection, changes in relations with tenants, and the possible need for better maintenance and more repairs.

Thus, judging from the survey responses, few landlords viewed the program as a potential windfall or as likely to have any direct effect on the way they managed their property. Landlords were much more likely to indicate that they expected effects on their neighborhood or the county as a whole (see Table 5.1). The dominant expectation was for the program to improve housing quality in both the neighborhood and the county. A fairly low proportion anticipated effects on residents' mobility, suggesting that most landlords did not expect the program to increase racial mobility (or if they did, that they were unconcerned about it (see Table 5.2)). That conclusion is borne out by other data from the survey.

Table 5.1

PROGRAM EFFECTS ANTICIPATED BY LEVEL 2 LANDLORDS:
ST. JOSEPH COUNTY, BASELINE

Effect ^a	Number of Respondents	Corresponding County Population of Landlords		
		Number	Percent of Level 2 Landlords ^b	Percent of All Landlords ^c
On own household	52	195	15.4	2.9
On property management	44	153	12.0	2.3
On current tenants (they may apply)	47	180	14.2	2.7
On neighborhood	90	381	30.0	5.8
On county	183	692	54.5	10.5

SOURCE: Tabulated by HASE staff from records of the survey of landlords, Site II, baseline.

NOTE: Estimates are based on responses of 334 landlords classified as aware of the program (level 2), out of a total of 1,577 landlords providing complete attitude information. Levels of program awareness are defined on pp. 14-16.

^a Respondent may view anticipated effects as desirable or undesirable; see Table 5.3.

^b Estimated county total of level 2 landlords = 1,270.

^c Estimated county landlord population = 6,620.

Table 5.2

DETAILS OF COUNTY AND NEIGHBORHOOD EFFECTS
ANTICIPATED BY LEVEL 2 LANDLORDS:
ST. JOSEPH COUNTY, BASELINE

Effect	Location of Anticipated Effect			
	Neighborhood		County	
	Number of Respondents	Percent of Level 2 Respondents	Number of Respondents	Percent of Level 2 Respondents
On housing:				
Upgrade	33	14.9	61	27.5
Other ^a	20	9.0	26	11.7
On residents	18	8.1	68	30.6
On landlords	5	2.3	13	5.9
On community ^b	27	12.2	49	22.1
On mobility	18	8.1	14	6.3
On economy	(c)	(c)	36	16.2
On government	(c)	(c)	5	2.3

SOURCE: Tabulated by HASE staff from records of the survey of landlords, Site II, baseline.

NOTE: Estimates are based on responses of 222 landlords, classified as aware of the allowance program (level 2), who were asked about neighborhood and county effects--out of a total of 1,577 landlords providing complete attitude information. Levels of program awareness are defined on pp. 14-16.

^aIncludes increased construction or demolition; downgrading of housing; and effects on property values, rents, housing costs, or vacancies.

^bIncludes appearance, quality of life, crime, integration.

^cNot applicable.

Table 5.3 distinguishes positive from negative expectations. Landlords were least positive in their views of possible effects on property management. In contrast, potential household, neighborhood, and county effects were viewed positively more than half the time, and neutrally or better more than 80 percent of the time.

As a group, landlords failed to accept the most negative scenarios about likely program effects--that it would upset neighborhood racial balance, disrupt the housing market, or prevent them from getting rid of undesirable tenants. But neither did they accept the most positive scenarios. Instead, they assumed a wait-and-see attitude, characterized by cautious anticipation of mostly positive effects.

Heads of Household

Compared with landlords, heads of household were more likely to expect the program to have an effect--and a positive one--on themselves and on the larger community. We noted in Sec. IV that when respondents were asked to describe the allowance program, they focused on who it helps and what it does instead of how it might affect their household, neighborhood, or county. However, when we specifically asked the aware respondents whether they thought the program would have such effects, a large proportion said it would. As Table 5.4 shows, 18 percent of the households who knew about the program expected to apply (expected direct benefits), 23 percent thought their household would be affected, almost a third said it would affect their neighborhood, and about three-quarters thought it

Table 5.3

EVALUATION OF ANTICIPATED PROGRAM EFFECTS BY
LEVEL 2 LANDLORDS: ST. JOSEPH COUNTY, BASELINE

Effect	Number of Respondents	Evaluation (%)			
		Positive	Neutral	Negative	Total
On own household	52	57.7	28.8	13.5	100.0
On property management	44	38.6	34.1	27.3	100.0
On neighborhood	90	52.2	33.3	14.4	100.0
On county	183	59.6	21.3	19.1	100.0

SOURCE: Tabulated by HASE staff from records of the survey of landlords, Site II, baseline.

NOTE: Based on responses of 334 landlords classified as aware of the program (level 2), selected from a total of 1,577 landlords providing complete attitude information. Levels of program awareness are defined on pp. 14-16.

Table 5.4

PROGRAM EFFECTS ANTICIPATED BY LEVEL 2
HOUSEHOLDS: ST. JOSEPH COUNTY, BASELINE

Effect ^a	Number of Respondents	Corresponding County Population of Households		
		Number	Percent of Level 2 Households ^b	Percent of All Households ^c
On household:				
Direct (benefit)	104	2,206	17.9	2.9
Direct and indirect	107	2,784	22.7	3.7
On neighborhood	154	3,923	31.9	5.3
On county	250	8,598	73.3	11.6

SOURCE: Tabulated by HASE staff from records of the survey of households, Site II, baseline.

NOTE: Estimates are based on responses of 423 households classified as aware of the program (level 2), out of a total of 2,775 households reporting complete household information. The population from which the sample was drawn includes tenants and homeowners but not landlords. Levels of program awareness are defined on pp. 14-16.

^aExcept for direct household benefits (expected by those who intended to apply), the anticipated effects may not be viewed by the respondent as either desirable or undesirable. Not all of those who said they expected to apply also said they expected the program to affect their household.

^bEstimated county total of level 2 households = 12,280.

^cEstimated county household population (excluding resident landlords) = 72,332.

would affect the county as a whole. The number of households who anticipate program effects increases in logical fashion as the scope widens--from effects on one's own household to the neighborhood and finally the county.

Very few respondents foresaw negative consequences. As Table 5.5 shows, 8 percent mentioned possible negative effects on their household, 6.5 percent expected their neighborhood to be harmed, and 12 percent expected the county to suffer. Fears about economic or demographic consequences dominated such expectations--that undesirable people would move into the community; that taxes, rents, and inflation would increase; or that property values would decline. However, the dominant worry about one's own neighborhood was social rather than economic--how one's neighbors might change, rather than how property values might be affected.

Table 5.6 lists the principal countywide effects anticipated by the respondents.[5] The themes resemble those mentioned by landlords, but the frequency with which they were mentioned differs markedly (compare Table 5.2). Household heads were much more likely to cite program effects on people and less likely to relate their expectations to housing or the quality of the housing market. We view the difference as perfectly natural. Since most tenants and homeowners had no professional stake in the housing market, for them it was largely an abstract concept, unlikely to figure prominently in their expectations regarding the program. Beyond that, however, the data suggest that heads of household regarded the allowance program

Table 5.5

EVALUATION OF ANTICIPATED PROGRAM EFFECTS BY LEVEL 2
HOUSEHOLDS: ST. JOSEPH COUNTY, BASELINE

Effect	Number of Respondents	Evaluation (%)			
		Positive	Neutral	Negative	Total
On household	107	72.9	18.7	8.4	100.0
On neighborhood	154	79.9	13.6	6.5	100.0
On county	250	75.6	12.0	12.4	100.0

SOURCE: Tabulated by HASE staff from records of the survey of households, Site II, baseline.

NOTE: Entries are based on responses of those who were aware of the program (level 2) and said they expected it to affect their household, their neighborhood, or the county. Respondent attitudes toward the anticipated effect are derived from coder judgments. Levels of program awareness are defined on pp. 14-16.

Table 5.6

COUNTY EFFECTS ANTICIPATED BY LEVEL 2
HOUSEHOLDS: ST. JOSEPH COUNTY, BASELINE

Effect	Number of Respondents	Percent of Level 2 Respondents
<i>On People</i>		
General help ^a	106	42.4
Help with housing	37	14.8
Financial help	33	13.2
Effect on psychological well-being	15	6.0
Harm	15	6.0
<i>On Neighborhood or Community</i>		
General ^b	93	37.2
Increased mobility	15	6.0
Economic or governmental	33	13.2
<i>On Housing</i>		
Upgrade	68	27.2
Other ^c	27	10.8

SOURCE: Tabulated by HASE staff from records of the survey of households, Site II, baseline.

NOTE: Entries are based on responses of 256 household heads who were aware of the program (level 2) and said the program would affect the county. Levels of program awareness are defined on pp. 14-16.

^aGeneral statements with no details about how people would be helped.

^bIncludes general statements that the program will improve or downgrade the community (or some areas) or decrease crime and vandalism.

^cIncludes general statements that the program will affect housing (without any details about how) as well as specific statements about effects on construction, demolition, rents, or property values.

as a social service designed to help those with inadequate resources obtain decent housing.

The overwhelming inclination was to expect good things from the allowance program--primarily that it would help people pay their housing costs, move to better living quarters, and feel better about themselves; that it would upgrade housing and improve the quality of life in the community. Much less frequent were comments about the program's potential effects on the economy or the prerogatives of local government, themes that cropped up repeatedly in official deliberations about whether to participate in the experiment. Only 13 percent mentioned either theme; the majority of them spoke of increased jobs or the injection of additional dollars into the local economy. Worries about federal control or effects on the quality or cost of local government services were not mentioned at all.[6]

Those descriptions evoke an image of a people-oriented program that simply transfers money to worthy recipients. Only a few people expected improvements in housing or community conditions. It thus appears that the program can fulfill most of the baseline expectations of the citizens of St. Joseph County simply by improving the lot of program participants.

FACTORS AFFECTING PLANS TO APPLY[7]

In the St. Joseph County baseline survey, 76 of the aware household heads said they planned to apply for an allowance. We can compare

that (self-selected) group of prospective applicants with others who knew about the program but had no plans to apply, for insight into the kinds of people who were attracted or resistant to program participation.

Apart from income eligibility, an obviously important determinant, our analyses point out other factors. The single attitudinal variable affecting plans to apply was the most logical one: dissatisfaction with one's present housing. Attitudes toward blacks, integration, or landlords had no significant effect, nor did the perceived decline of a neighborhood. The eligible households who most often expressed plans to apply were blacks and people who thought their homes were deteriorating. Those who least often expressed plans to apply were the elderly (who were more likely to attribute their reluctance to pride, embarrassment, or disapproval of the program)[8] and the educated. The negative effects of education may reflect future income expectations; that is, eligibles with more education may view their present economic circumstances as temporary, not justifying an application for public assistance. Tenure had no effect: Eligible renters were no more likely to state an intention of applying than were eligible homeowners.

The contrast between the attitudes of blacks and the elderly (two important target groups) toward participation may reflect their different experience with government aid. The history of many blacks reinforces the legitimacy of receiving public aid. For the elderly, such a history is often lacking. Medicare is relatively new, and

social security benefits are generally viewed as something earned by past labor. At retirement, many people are faced with the need for supplemental support for the first time, but their experience has not legitimized participation in public assistance programs. Despite the difference in whether they planned to apply for allowance benefits, neither blacks nor the elderly were significantly more likely to approve or disapprove of the program in general.[9] (The issue here is not general attitudes toward the concept of government support, but personal feelings about seeking such support.)

As Table 5.7 shows, during the first program year eligible black families enrolled at nearly four times the rate of eligible white families, while elderly eligibles were only a third as likely to participate in the program as younger eligibles. The differences in response were immediate and remained strongest during the first program year. By the second year, the mixture of new applicants had evened out to include more white households and more elderly, but cumulative participation rates held to the early pattern.

POSTBASELINE SHIFTS IN EXPECTATIONS

Baseline expectations form a benchmark against which to measure later program perceptions. If what people want or expect changes as a result of the program, later expectations will differ from early ones. And comparing later reports of actual program effects with early expectations provides a way of determining how well those expectations were met.

Table 5.7

FIRST AND SECOND YEAR PARTICIPATION RATES BY AGE AND RACE OF HOUSEHOLD HEAD:
ST. JOSEPH COUNTY HOUSING ALLOWANCE PROGRAM

Age of Head	Participation by Race of Household Head								
	White			Black			Total ^a		
	Number Eligible	Number Enrolled	Participation Rate (%)	Number Eligible	Number Enrolled	Participation Rate (%)	Number Eligible	Number Enrolled	Participation Rate (%)
<i>Year 1</i>									
Nonelderly	5,071	1,098	21.7	1,919	1,134	59.1	7,198	2,321	32.2
Elderly	7,890	744	9.4	492	195	39.6	8,382	945	11.3
Total	12,961	1,842	14.2	2,411	1,329	55.1	15,580	3,266	21.0
<i>Year 2</i>									
Nonelderly	5,071	1,870	36.9	1,919	1,262	65.7	7,198	3,232	44.9
Elderly	7,890	1,803	22.9	492	242	49.2	8,382	2,052	24.5
Total	12,961	3,673	28.3	2,411	1,504	62.4	15,580	5,284	33.9

SOURCE: Tabulated by HASE staff from records of the survey of households, Site II, baseline, and HAO records in Site II through December 1976.

NOTE: Numbers of eligible households exclude those receiving assistance under other federal housing programs.

^aIncludes households whose heads were classified as other than white or black (e.g., oriental or American Indian).

As program awareness has grown in both sites, the pattern of expectations at baseline has not shifted in any important way. In both sites, residents most often anticipate effects countywide. Possible neighborhood effects are less often mentioned, and household effects are expected still less often.

Respondents' judgments of the program's actual effects to date show a different pattern, however. More report effects on their households than on their neighborhoods. One reason may be that the source of program-related changes in their own households is clear, whereas it is difficult to say which improvements in neighborhood housing are due to the program, and which result from something else.

Perhaps the best explanation for the low reporting of neighborhood changes, however, is their infrequency. With few exceptions, the allowance program has simply not produced dramatic changes in neighborhoods, a fact residents accurately perceive. If anything, it is surprising that so many residents in both sites (between 15 and 22 percent of all households) still voice the belief that such effects may materialize in the future.

Indeed, our data show that expectations of future change run consistently higher than perceptions of actual change. Table 5.8 shows the number of Brown County household heads who observed past program effects and who anticipated future ones at wave 2. About 7 percent of all county households said they were affected by the program; that proportion closely approximates the percentage of the

Table 5.8

PAST AND FUTURE PROGRAM EFFECTS CITED BY LEVEL 1
HOUSEHOLDS: BROWN COUNTY, WAVE 2

Effect	Number of Respondents	Corresponding County Population of Households		
		Number	Percent of Level 1 Households ^a	Percent of All Households ^b
<i>On Household</i>				
Has already affected	275	3,146	13.0	6.8
May affect in future ^c	523	6,401	26.4	13.8
<i>On Neighborhood</i>				
Has already affected	123	1,181	4.9	2.6
May affect in future ^c	564	6,803	28.0	14.7
May change type of people moving in	172	2,210	9.1	4.8
<i>On County</i>				
May affect in future ^c	995	16,973	69.9	36.7

SOURCE: Tabulated by HASE staff from records of the survey of households, Site I, wave 2. Figures are preliminary and subject to change as data undergo further audit and analysis.

NOTE: Estimates are based on responses of 1,464 household heads who claimed knowledge of the allowance program (level 1) and were asked about program effects, out of 2,460 households providing nearly complete household information. The sample excludes resident landlords and occupants of subsidized housing. Levels of program awareness are defined on pp. 14-16.

^aEstimated county total of level 1 households = 24,273.

^bEstimated county household population (excluding resident landlords) = 46,258.

^cIncludes responses "yes" and "possibly."

county's households enrolled in the program at the end of the second year. About twice that number thought they might be directly affected in the future, however.

Although only 5 percent of level 1 households observed any effects on their neighborhood, fully 28 percent anticipated such effects later. Their main concern was not the possibility of changes in neighborhood residential composition: Only 9 percent expected demographic changes, and half of them thought those changes would be positive. Most level 1 tenants and homeowners believed it might affect the county in the future. At wave 2, that belief was more common in Brown County than in St. Joseph County.

Table 5.9 presents comparable data for Brown County landlords. Twenty-seven percent reported allowance recipients among their current tenants, but only 5 percent reported that the program had affected their property management (many more said it might in the future). Although our sample is not representative of all landlords in the county, there is little evidence that their views of neighborhood and countywide changes differ from those of household heads.[10] A possible exception is that landlords may be more likely to anticipate changes in the type of people moving into a neighborhood.

More of St. Joseph County's residents anticipated effects on their own households or neighborhoods than did respondents in Brown County (see Tables 5.10 and 5.11). That result probably reflects the

Table 5.9

PAST AND FUTURE PROGRAM EFFECTS CITED BY LEVEL 1
LANDLORDS: BROWN COUNTY, WAVE 2

Effect	Number of Respondents	Percent of Level 1 Respondents
<i>On Property Management</i>		
Current tenants receive payments	173	27.3
Has already affected	29	4.6
May affect in future ^a	137	21.6
<i>On Household</i>		
Has already affected	25	3.9
May affect in future ^a	77	12.1
<i>On Neighborhood^b</i>		
Has already affected	41	6.5
May affect in future ^c	159	25.1
May change type of people moving in	111	17.5
<i>On County</i>		
May affect in future ^a	446	70.3

SOURCE: Tabulated by HASE staff from records of the survey of landlords, Site I, wave 2. Figures are preliminary and subject to change as data undergo further audit and analysis.

NOTE: Entries are based on responses of 634 landlords who claimed knowledge of the allowance program (level 1) and were asked about program effects, out of 953 landlords providing complete attitude information. Levels of program awareness are defined on pp. 14-16.

^aIncludes responses "yes" and "possibly."

^bRefers to block or area where rental property is located.

Table 5.10

PAST AND FUTURE PROGRAM EFFECTS CITED BY LEVEL 1
HOUSEHOLDS: ST. JOSEPH COUNTY, WAVE 2

Effect	Number of Respondents	Corresponding County Population of Households		
		Number	Percent of Level 1 Households ^a	Percent of All Households ^b
<i>On Household</i>				
Has already affected ^c	481	5,105	13.1	6.9
May affect in future ^d	652	12,093	31.1	16.3
<i>On Neighborhood</i>				
Has already affected ^c	235	3,322	8.6	4.5
May affect in future ^d	723	16,876	43.5	22.8
<i>On County</i>				
Has already affected ^c	951	22,053	56.8	29.7
May affect in future ^d	845	22,607	58.2	30.5

SOURCE: Tabulated by HASE staff from records of the survey of households, Site II, wave 2. Figures are preliminary and subject to change as data undergo further audit and analysis.

NOTE: Estimates are based on responses of 1,575 household heads who claimed knowledge of the allowance program (level 1) and were asked about program effects, out of 2,636 households providing complete attitude information. The population from which the sample was drawn excludes resident landlords. Levels of program awareness are defined on pp. 14-16.

^a Estimated county total of level 1 households = 38,828.

^b Estimated county household population (excluding resident landlords) = 74,142.

^c Includes responses "a lot" and "somewhat"; excludes those indicating little or no effect.

^d Includes responses "yes" and "possibly."

Table 5.11

PAST AND FUTURE PROGRAM EFFECTS CITED BY LEVEL 1
 LANDLORDS: ST. JOSEPH COUNTY, WAVE 2

Effect	Number of Respondents	Percent of Level 1 Landlords
<i>On Property Management</i>		
Current tenants receive payments	183	29.9
Has already affected ^a	45	7.4
May affect in future ^b	116	19.0
<i>On Neighborhood^c</i>		
Has already affected ^a	53	8.7

SOURCE: Tabulated by HASE staff from records of the survey of landlords, Site II, wave 2. Figures are preliminary and subject to change as data undergo further audit and analysis.

NOTE: Entries are based on responses of 612 landlords who claimed knowledge of the allowance program (level 1) and were asked about program effects, out of 920 landlords providing complete attitude information. Questions about countywide effects or effects on the landlord's own household were not asked. Levels of program awareness are defined on pp. 14-16.

^aIncludes responses "a lot" and "somewhat"; excludes those indicating little or no effect.

^bIncludes responses "yes" and "possibly."

^cRefers to block or area where rental property is located.

frequency with which repairs are required to bring St. Joseph County dwellings up to program standards.

Despite the variations between sites and between heads of households and landlords within sites, there is an underlying consistency in the responses. The number of respondents who reported experiencing program effects closely parallels actual enrollment at the time of the surveys; the number who expected to be affected in the future is roughly proportional to the eligible population; and landlords consistently agreed that the program had little effect on the way they managed their properties. Expectations of future effects were fairly common in both sites, indicating that many residents believed the program might have long-term effects that could not yet be felt.

NOTES TO SECTION V

1. See p. 8.
2. See Ellickson (forthcoming).
3. Preenrollment HAO presentations generally elicited few comments or questions from ordinary citizens regarding the program's likely impact on the county. Citizens mainly wanted to know about how the program would work--who was eligible and what they would have to do to receive an allowance.

4. Some landlords may have been reluctant to admit that they might raise rents as a result of the program. However, since the interviewer had already exhaustively explored their revenue and expense accounts, plans for the property, and perceptions of tenants, we think most felt free to be candid in describing possible program effects.
5. Expected effects on the neighborhood followed much the same pattern. For a full description of anticipated neighborhood effects, see Ellickson (forthcoming).
6. Only five respondents thought taxes would go up; one mentioned inflation; and one thought the program would run out of money and leave people worse off than before.
7. As explained above, data are reported for baseline in St. Joseph County only; information from Brown County is inadequate for the requisite regression analysis.
8. Fifteen percent of those 61 and over cited disapproval of the program as a reason for not applying, vs. 3 percent of those under 61. Thirty-two percent of those 61 and over cited pride or embarrassment, vs. 16 percent of those under 61.
9. See Ellickson (forthcoming).

10. Unlike the data for household heads, these data have not been weighted to represent all county landlords.

VI. EARLY EVALUATIONS OF THE PROGRAM

Public acceptability is an important consideration in evaluating the advantages and disadvantages of a national housing allowance program. Any program that encounters widespread opposition to its goals or methods is likely to fail; conversely, one that captures widespread public support will have a distinct advantage in meeting its objectives. The Supply Experiment offers an arena for testing public reaction (along with market response) to a program whose basic idea and mode of operation closely resemble those likely in a national program.

As a preliminary gauge of that reaction, this section examines the evaluations of the program by landlords and household heads in general. (Section VII focuses on the evaluations by allowance recipients.) As we have seen, data from ordinary citizens can provide a very different picture from the impression obtained by monitoring the views of community leaders or program coverage in the news media. The baseline program evaluations reported for the two sites indicate how residents and landlords reacted to the idea of housing allowances before they had any experience with an operational program. Later evaluations express judgments based on experience with the program's administrative features and observation of its early effect on the community.

KEY FINDINGS

- Overall, the allowance program has been well received in both experimental sites. A seventh of those who had heard of it in St. Joseph County and a tenth in Brown County expressed a negative attitude toward it; more than a half were positive, and the remainder were noncommittal.
- In evaluating the program, St. Joseph County residents were more likely than those in Brown County to express distinctly positive or negative views. Brown County residents were more often neutral, tending to reserve judgment.
- St. Joseph County data indicate that the program's popularity increased among household heads but waned among landlords during the first year. Among household heads, a substantially larger proportion expressed positive opinions one year after the baseline survey; however, the proportion with negative views declined only slightly. While program support among the general public increased as knowledge spread throughout the community, a small core of opposition persisted.

BASELINE EVALUATIONS IN ST. JOSEPH COUNTY

We use two measures of baseline program evaluation in St. Joseph County: (a) the respondent's attitude, as judged by our coders, and (b) the respondent's rating of the program as a good or bad idea,

expressed on a point scale from 1 (very positive) to 7 (very negative).[1]

Both measures yielded similar results, shown in Table 6.1. Less than a fifth of those considered aware of the program viewed it negatively; the remainder were either neutral or positive. Coders judged that only 18 percent of the household heads and 12 percent of the landlords had negative opinions about the allowance program. By the respondents' own judgments, the proportions become even closer--17 percent for heads of household and 18 percent for landlords. If respondents having no opinion are excluded, the proportion with negative views rises only slightly, to 20 percent for household heads and 23 percent for landlords.

Because positive and neutral responses are more difficult to distinguish, estimates of the proportion holding positive opinions depend on the measure. Our coders were instructed to be conservative, assigning a neutral code whenever a description was neither clearly positive nor clearly negative. Under that stringent guideline, they judged a third of the responses to be positive and half neutral.

Respondents could express their neutrality directly, of course, either by stating that they had no opinion (in which case they were not asked to give a rating) or by choosing a neutral rating of four. Respondents classified themselves as positive more frequently than did the coders: Half of all those asked said they were positive

Table 6.1

PROGRAM EVALUATIONS AMONG LEVEL 2 HOUSEHOLD HEADS
AND LANDLORDS: ST. JOSEPH COUNTY, BASELINE

Evaluation, by Source	Household Heads			Landlords		
	Number of Respondents	Corresponding County Population		Number of Respondents	Corresponding County Population	
		Number	Percent		Number	Percent
<i>Coder Judgment^a</i>						
Positive	171	3,866	31.5	112	474	37.3
Neutral	207	6,258	51.0	179	642	50.6
Negative	45	2,156	17.5	43	154	12.1
Total	423	12,280	100.0	334	1,270	100.0
<i>Respondent Judgment--All Those Asked^b</i>						
Positive	196	5,135	53.5	114	456	51.4
Neutral or no opinion	65	2,872	29.9	71	274	30.9
Negative	27	1,590	16.6	51	157	17.7
Total	288	9,597	100.0	236	887	100.0
<i>Respondent Judgment--Only Those with Opinion^c</i>						
Positive	196	5,135	65.0	114	456	66.2
Neutral	18	1,176	14.9	17	76	11.0
Negative	27	1,590	20.1	51	157	22.8
Total	241	7,901	100.0	182	689	100.0

SOURCE: Tabulated by HASE staff from records of the survey of households and the survey of landlords, Site II, baseline.

NOTE: Estimates are based on responses of 2,775 households reporting complete household information and 1,577 landlords providing complete attitude information. The population from which the sample of household heads was drawn includes resident landlords. Levels of program awareness are defined on pp. 14-16.

^aCoders judged the tone of respondent descriptions of the allowance program, which were elicited before the respondent was asked his opinion of the program.

^bRespondents were asked if they had an opinion whether the program is a good or bad idea. If yes, they rated the program on a scale from 1 (very positive) to 7 (very negative).. The neutral or no-opinion category includes respondents who had no opinion and those who gave the program a rating of 4.

^cIncludes only respondents who said they had an opinion about the program. The neutral category refers to respondents who gave the program a rating of 4.

toward the program. Further excluding those having no opinion, fully two-thirds reported positive opinions.

Despite the variations due to different measures, it is clear that fewer than one-fifth of aware respondents had formed negative opinions toward the program. The remainder were either positive or undecided. Those attitudes are not unlike the general response to public programs among Americans.[2] People have a limited awareness of such programs, and are disposed to give them the benefit of the doubt.

The seemingly favorable climate of opinion in which the program made its debut, however, was potentially changeable; few knew anything at all about the program, and those who did had little basis for judging it. Public program support at baseline, then, represented a line of credit extended by the community--one that could have been quickly revoked.

POSTBASELINE SHIFTS IN EVALUATIONS

Preliminary tabulations from wave 2 survey data provide a first systematic glimpse of attitudes toward the allowance program in Brown County. They also indicate whether and how much attitudes shifted in St. Joseph County. Table 6.2 summarizes the wave 2 program evaluations by level 1 respondents for both counties, and presents comparable data from the baseline survey in St. Joseph County.

Table 6.2

COMPARISON OF PROGRAM EVALUATIONS BY HOUSEHOLD HEADS AND LANDLORDS:
BROWN COUNTY (WAVE 2) AND ST. JOSEPH COUNTY (BASELINE AND WAVE 2)

Opinion	Brown County Wave 2	St. Joseph County	
		Baseline	Wave 2
<i>Household Heads--Percent of Corresponding County Population^a</i>			
Positive	58	53	64
Neutral or no opinion	31	30	21
Negative	11	17	15
Total	100	100	100
<i>Landlords--Percent of Sample</i>			
Positive	40	48	44
Neutral or no opinion	39	30	25
Negative	22	22	31
Total	100	100	100

SOURCE: Tabulated by HASE staff from records of the survey of households and the survey of landlords, Site I, wave 2, and Site II, baseline and wave 2.

NOTE: Respondents to the baseline surveys in Site I were not asked their opinion of the allowance program. For Site II baseline, entries are based on responses of 288 household heads and 236 landlords classified as aware of the program (level 2), who were asked to provide their opinion of it. All other entries are based on responses of household heads or landlords claiming some knowledge of the program (level 1), who were asked to provide their opinion of it. For wave 2 in Brown County, the group amounted to 1,167 heads of household and 623 landlords. For wave 2 in St. Joseph County, corresponding figures were 1,564 heads of household and 608 landlords. Levels of program awareness are defined on pp. 14-16.

^aExcludes resident landlords.

Household Heads

The proportion of St. Joseph County household heads holding positive attitudes increased during the first program year, mostly because the proportion in the neutral or no-opinion category shrank. Support for the program apparently grew more rapidly than opposition to it withered.

It is reasonable to infer that opinion change between years 1 and 2 was heavily skewed in a positive direction, although it remains to be seen how much of the shift represents individual changes of opinion. Because the aware population keeps growing, those who learned about the program late may have been more likely to form a favorable opinion, producing a shift in aggregate attitudes for the population without much opinion change among individuals. We will be able to address that question in future analyses that track individual respondent attitudes.

The opinion distributions in Brown County differ from corresponding distributions for both years in St. Joseph County, most noticeably in the lower frequency of negative opinions. Compared with St. Joseph County, however, more Brown County respondents were neutral--neither as enthusiastic nor as antipathetic--at wave 2, a finding consistent with our informal impressions of the two sites.

Landlords

Since the wave 2 records for landlords have not yet been weighted, the distributions in Table 6.2 are for the sample rather than for the county population of landlords.[3] In the baseline data for St. Joseph County, we know that the sample overrepresented landlords with negative views of the allowance program.[4] The assignment of weights will remove that bias in wave 2, but until it is done we have no accurate way of estimating how large the bias is.

With that qualification, we note that St. Joseph County landlords grew more negative toward the allowance program during the first program year; at the same time, the county's population as a whole became noticeably more positive. We believe the divergence between landlords and household heads is real, and that it will be confirmed when the data are weighted.[5] If so, then the negative shift in landlord views demonstrates that the positive shift in the views of household heads was by no means preordained; attitudes toward a new program do not automatically become more favorable once the program is established.

PERCEPTIONS OF PROGRAM ADMINISTRATION

Besides asking respondents to rate the housing allowance program, the wave 2 surveys asked whether respondents thought the program was being run by "smart people who know what they're doing," and whether it was "being run the way it should be." The first question was

designed to tap respondents' perceptions of the competence of program management--a competence the public often believes is lacking in government programs. The second elicited a broader judgment about program rules, concepts, and procedures, as well as the competence and integrity of the management. Responses to those questions (shown in Table 6.3) offer further insight into differences in community opinion between the two sites.

First, it is clear that opinion has crystallized to a different degree in each site. Respondents are more definite in St. Joseph County than in Brown County; over twice as many of the latter gave neutral or conditional ("it depends") answers. That pattern recurs throughout all our measures, but is more dramatic here.

The major finding, however, is that in both sites the people running the program are rated more favorably than the way the program is being run. The HAO managers have thus successfully avoided the image of a fumbling government bureaucracy.

Overall, wave 2 evaluations show that the program gained rapid acceptance in both sites, and by the end of the first year had become an established institution. The fact that the program had no negative effects on rent inflation or neighborhood stability undoubtedly encouraged its acceptance. By establishing the program's day-to-day presence in community life, the outreach efforts that stimulated growth in program awareness may also have aided acceptance.

Table 6.3

RESPONSES TO QUESTIONS ON PROGRAM ADMINISTRATION:
ALL HOUSEHOLD HEADS, BROWN AND
ST. JOSEPH COUNTIES, WAVE 2

Item and Response	Brown County Responses (%)	St. Joseph County Responses (%)
<i>Housing Allowance Program Is Being Run by Smart People Who Know What They're Doing</i>		
Agree	37	56
Conditional/no opinion ^a	49	22
Disagree	14	22
Total	100	100
<i>Housing Allowance Program Is Being Run the Way It Should Be</i>		
Agree	26	46
Conditional/no opinion ^a	63	29
Disagree	12	25
Total	100	100

SOURCE: Tabulated by HASE staff from records of the survey of households, Sites I and II, wave 2. Figures are preliminary and subject to change as data undergo further audit and analysis.

NOTE: Entries are population estimates based on responses of 1,385 household heads in Brown County and 1,551 household heads in St. Joseph County who claimed knowledge of the allowance program (level 1) and were asked the pertinent questions. Levels of program awareness are defined on pp. 14-16.

^aIncludes responses "don't know," "no opinion," and "it depends."

Landlords were the only exception to the positive trend. Their withdrawing support in the absence of major negative effects suggests that they did not realize the program benefits they had expected. But the decline in the program's popularity among landlords makes its increasing acceptance among the general population all the more significant. It shows that broad public acceptance did not automatically follow program implementation, and that the line of credit extended before the program began was subject to withdrawal on the grounds of unfulfilled expectations rather than negative results.

NOTES TO SECTION VI

1. Data from Brown County were too scant to permit analysis of baseline program evaluation. See pp. 8 and 77.
2. Our results are consistent with the positivity bias found in other studies of social issues and policies. For example, outspokenly critical evaluations of schools, police, or government agencies are offered only infrequently by respondents. Even after Watergate, less than 30 percent of the public was sufficiently shaken to express lack of confidence in a variety of public institutions. See Sears (1969); Key (1961); and Lipset (1976).
3. A description of the weighting procedure used for landlords is forthcoming in Kanouse.

4. The overrepresentation occurred because landlords with large holdings were more likely to be included in the sample and were also more likely to have a negative opinion of the allowance program. For tenants and homeowners, our sampling strategy produced the opposite bias, overrepresenting those with positive views.

5. This belief is based on a comparison of weighted and unweighted data from St. Joseph County at baseline: Weighting the landlord sample to represent the population reduced the estimated percentage holding negative views by only 4 percent--from 22 to 18 percent. A much larger shift would be required to bring the wave 2 percentage down to a figure comparable with that for household heads. Such a shift would be possible only if the wave 2 sample of landlords is considerably less representative of the population than the wave 1 sample. We do not think that very likely.

VII. CLIENT PERCEPTIONS OF THE PROGRAM

The reactions of clients, who have had actual experience with the program, are useful gauges of how well the program is administered and provide clues about what works and what does not. Their perceptions of the program reveal whether unwarranted expectations are being raised, whether clients understand specific program features, and how well they react to program requirements. If many clients view the program negatively, their hopes of having decent housing or help with their financial problems may still be unmet. If they view the program favorably overall but dislike some of its parts, then the allowance program generally meets client expectations and only specific shortcomings in the delivery process need concern us.

In this section we examine how clients have responded to the program as a whole and to its specific standards and procedures. The data come largely from the wave 2 survey responses of 567 enrollees in St. Joseph County and 240 in Brown County, all of whom said they had applied for an allowance, been found eligible to receive payments, and signed a participation agreement. The interviews were purposely divorced from HAO business in order to elicit opinions based on the client's overall experience with the program.[1]

As Table 7.1 shows, 76 percent of the Brown County enrollees and 69 percent of the St. Joseph County enrollees were receiving payments at the time of the interview. The rest had either not yet met the

Table 7.1

PROGRAM STATUS OF SURVEYED ENROLLEES:
BROWN AND ST. JOSEPH COUNTIES, WAVE 2

Status	Brown County Enrollees		St. Joseph County Enrollees	
	Number	Percent	Number	Percent
Dwelling was evaluated	233	97.1	512	90.3
Dwelling failed last evaluation	51	21.3	120	21.2
Receiving payments	182	75.8	392	69.1

SOURCE: Tabulated by HASE staff from records of the survey of households, Sites I and II, wave 2.

NOTE: Entries are based on unweighted responses of 240 and 567 enrollees in Brown and St. Joseph counties, respectively.

program's housing standards (because their homes had not been evaluated or had failed an evaluation) or had left the program. Among those receiving payments, the median monthly check was \$61 in Brown County and \$80 in St. Joseph County.

KEY FINDINGS

In both sites, clients generally approved of the allowance program and its staff. A maximum of 5 percent in Brown County and 12 percent in St. Joseph County gave negative ratings on a wide range of overall evaluation items.

Despite their general approval, clients viewed specific features of the program with less favor, especially the way eligibility and allowances are calculated and the requirements that their dwellings must meet certain standards before payments are made. Among those who advocated program changes, most wanted to see larger benefits and easier standards.

Few clients complained about misuse of confidential information, and few were irritated by the lease requirement or procedures for verifying incomes, each of which once generated concern in both sites.[2] Surprisingly, clients appear to accept income verification as a reasonable prerequisite for receiving government aid. During a nine-month recording period, only one client called either HAO to complain about his income being checked, and most St. Joseph County clients advocated even stricter controls. In the two sites, clients

and nonparticipants seem to be about equally interested in avoiding waste or abuse of federal programs.

Clients do not perceive themselves as being like welfare recipients, nor does the larger community. That both groups view allowance recipients more favorably than they do people on welfare suggests that the program is successfully disassociating itself from a welfare image. Although clients in St. Joseph County were more critical than their counterparts in Brown County, the latter were less inclined to give the program unqualified approval or to support the general notion of government housing aid to low- and moderate-income people. Those contrasts appear rooted in the history and culture of the counties rather than in differences in how the program actually functions in each area.

DISTINCTIVE CHARACTERISTICS OF ENROLLEES

The enrollees interviewed at wave 2 differed from the larger population of households in several noteworthy respects (see Table 7.2). In Brown County, they were much more likely to be renters, to have low incomes, to have moved within the past year, to be elderly, and to be single heads of households with children. The same statements apply in St. Joseph County, except that enrollees were somewhat less likely to be elderly or to have moved in the past year and much more likely to be black than is the general population.[3]

Table 7.2

COMPARISON OF CLIENTS AND GENERAL POPULATION:
BROWN AND ST. JOSEPH COUNTIES, WAVE 2

Characteristic	Percent with Characteristic			
	Brown County		St. Joseph County	
	Enrollees	All House- hold Heads	Enrollees	All House- hold Heads
Renter	87.1	30.0	90.3	23.6
Moved within past year	33.7	20.1	11.1	18.3
Elderly (62 and over)	30.4	18.1	16.2	18.5
Single head with children	30.8	5.1	54.7	8.1
Black	(a)	(a)	46.7	9.1
Median income (\$)	4,032	11,988	3,348	10,984

SOURCE: Tabulated by HASE staff from records of the survey of households, Sites I and II, wave 2.

NOTE: Enrollee entries are based on the unweighted responses of 240 and 567 clients in Brown and St. Joseph counties, respectively. General-population entries are weighted estimates from baseline data in both sites.

^aLess than 1.0 percent.

Not surprisingly, enrollees viewed the allowance program and how it is run more favorably than did the general population (see Table 7.3). Enrollees were also more likely than the general population to know other allowance recipients and to think the program had affected themselves or their neighborhood. But both groups in St. Joseph County were more likely than their counterparts in Brown County to say the program had affected their neighborhood. Future analyses should help us determine whether the perceptions of greater neighborhood change in St. Joseph County correspond with reality.

Enrollees in St. Joseph County were less prejudiced against minority groups than was the population at large.[4] St. Joseph County clients not only had more favorable attitudes towards blacks and Mexican-Americans, they also showed greater approval of racial integration.[5] We would thus expect that many St. Joseph County clients would be willing to move into neighborhoods containing different racial groups in order to obtain better housing or public services.

The image of the public aid recipient as more isolated from the world outside his home does not fit allowance participants in our experimental sites. We had expected enrollees to spend a greater portion of their energy securing food and shelter than more affluent households and hence to have less interest in public affairs. But as Table 7.3 shows, enrollees in both sites were only slightly less interested in public affairs than the general population but were more attuned to local than national or international affairs. In

Table 7.3

ATTITUDES AMONG CLIENTS AND GENERAL POPULATION:
BROWN AND ST. JOSEPH COUNTIES, WAVE 2

Attitude	Percent with Attitude			
	Brown County		St. Joseph County	
	Enrollees	All House- hold Heads	Enrollees	All House- hold Heads
<i>Toward Program</i>				
Approves of program	93.8	58.1	89.4	64.0
Thinks program is run as it should be	70.4	25.8	80.2	46.0
<i>Toward Groups</i>				
Approves of blacks	54.6	51.3	60.5	40.6
Approves of Mexican-Americans	(a)	(a)	57.0	37.3
Approves of neighborhood inte- gration	46.3	42.9	61.4	33.2
<i>Toward Public Affairs</i>				
Follows public affairs most of the time	35.8	41.7	37.0	41.3
Follows local events more than national or international ^b	46.7	32.1	44.3	35.1
Has worked with others on com- munity problems	12.9	19.8	38.3	22.1

SOURCE: Tabulated by HASE staff from records of the survey of house-
holds, Sites I and II, wave 2.

NOTE: Enrollee entries are based on the unweighted responses of 240 and
567 clients in Brown and St. Joseph counties, respectively. General-popula-
tion entries for both sites are estimates based on the weighted survey re-
sponses of all households excluding resident landlords. In Brown County,
the sample included 2,460 households; in St. Joseph County, 2,636 households.

^aNot asked in Brown County.

^bPercent of respondents who follow public affairs "now and then" or more
frequently.

St. Joseph County they were much more likely than the general public to be active in community affairs. Although clients in both sites were poorer and less educated than most other county residents, they were perhaps more integrated into community life.

CLIENT UNDERSTANDING OF THE PROGRAM

Clients' general knowledge of other government programs seems to place powerful constraints on how well they understand this one. While approximately 70 percent of those receiving payments knew that an increase in their income would mean a decrease in their allowance, only 36 percent understood that if the landlord raised the rent, their monthly check would not change. The inverse relationship between income and the amount of aid received is common to most public assistance programs and is easily understood: If one's income goes up, one's payments go down. However, it is natural to generalize from changes in income to changes in expenditures and therefore to think that if the landlord raises the rent, one will get a larger allowance.

Despite a considerable effort to explain to clients that their payments are tied to the standard cost of adequate housing (R*) for their household size and income, the majority in both sites either did not know what would happen to their payments if the rent went up \$10 a month or erroneously thought their payments would increase.[6] Misunderstanding of how payments are calculated could

have generated negative reactions to the allowance program. But as we shall see below, it apparently did not.

CLIENT ATTITUDES TOWARD THE PROGRAM

Client evaluations of the program were overwhelmingly favorable. In both sites, 80 percent or more of the enrollees said they were satisfied with the allowance program and that they were well treated by the program's staff (see Table 7.4). In Brown County, less than 5 percent said the program was a bad idea, disapproved of how it was run, or thought it was not worth the money. In St. Joseph County, the corresponding proportion was 12 percent or less (see Table 7.5).

Such high overall ratings suggest that the allowance program has succeeded in fulfilling client expectations. Even those most likely to be disaffected--enrollees not yet receiving payments--were positive toward the program as a whole. Over 90 percent in Brown County and 75 percent in St. Joseph County rated the program favorably on personal satisfaction.

However, clients did have reservations about specific aspects of the program (Table 7.4). When asked if there was anything about the program that should be changed, 14 percent in Brown County and 31 percent in St. Joseph County said yes. Similarly, 14 percent in Brown County said that payments were less than they expected and 17 percent said they were not enough (24 and 35 percent, respectively, in St. Joseph County). Clearly, allowance participants

Table 7.4

CLIENTS' PERSONAL EVALUATIONS OF THE HOUSING ALLOWANCE PROGRAM:
BROWN AND ST. JOSEPH COUNTIES, WAVE 2

Response	Percent of All Respondents		Response	Percent of All Respondents	
	Brown County	St. Joseph County		Brown County	St. Joseph County
<i>Personal Satisfaction</i>			<i>Staff Evaluation (cont.)</i>		
Satisfaction with program:			Helpfulness to client:		
Satisfied	92	80	All that was needed	96	94
Neutral, no opinion	4	9	Less than was needed	4	6
Dissatisfied	4	10	Total	100	100
Total	100	100	<i>Payment Evaluation</i>		
Would like program changes:			Compared with expectations:		
No	82	62	More than expected	35	23
Yes	14	31	About as expected	42	42
Don't know	4	6	Less than expected	14	24
Total	100	100	Don't know	9	11
<i>Staff Evaluation</i>			Total	100	100
Time spent with client:			Compared with need:		
Enough	98	94	Too much	1	1
Not enough	1	6	About right	81	62
Don't know	2	1	Not enough	17	35
Total	100	100	Don't know	2	2
			Total	100	100

SOURCE: Tabulated by HASE staff from records of the survey of households, Sites I and II, wave 2.

NOTE: Personal and staff evaluation entries are based on responses of all enrollees answering each question (236-238 in Brown County, 564-565 in St. Joseph County). Payment evaluation entries are based on responses of all recipients answering (177-178 in Brown County, 421-422 in St. Joseph County). Distributions may not add exactly to 100 because of rounding.

Table 7.5

CLIENTS' GENERAL EVALUATION OF THE HOUSING ALLOWANCE PROGRAM;
BROWN AND ST. JOSEPH COUNTIES, WAVE 2

Response	Percent of All Respondents	
	Brown County	St. Joseph County
Feelings about the program:		
Good idea	94	90
Neutral, no opinion	6	7
Bad idea	--	3
Total	100	100
How the program is run:		
The way it should be	71	81
Not the way it should be	3	12
Not sure, no opinion, depends	26	7
Total	100	100
People who run the program:		
Know what they're doing	79	82
Don't know what they're doing	2	11
Not sure, no opinion, depends	19	7
Total	100	100
Value of the program:		
Worth the taxes	60	80
Not worth the taxes	2	10
Not sure, no opinion	37	10
Total	100	100
Should government help low and moderate income people with housing?		
Yes	78	89
No	3	5
Not sure, no opinion, depends	20	6
Total	100	100

SOURCE: Tabulated by HASE staff from records of the survey of households, Sites I and II, wave 2.

NOTE: Entries are based on responses of all enrollees answering each question (238-240 in Brown County, 564-566 in St. Joseph County). Distributions may not add exactly to 100 because of rounding.

differentiated between the program as a whole and aspects they found annoying.

Complaints centered on program policies rather than program personnel. In both sites, less than 7 percent of the enrollees said the staff did not spend enough time with them or failed to provide them with needed help. That proportion was either lower than or about the same as the proportion who generally disliked the program itself. Those figures contrast sharply with clients' evaluations of city officials, who received negative ratings from 26 percent of the enrollees in Brown County and 29 percent in St. Joseph County. The data also support the observations by the site monitors that program personnel in both sites believed in the program and worked supportively with their clients. Adversary relationships between HAO staff and clients have been rare, even though many who apply are declared ineligible and many who enroll are told their homes do not meet program standards.

Attitude Differences Between the Two Sites

As Tables 7.4 and 7.5 indicate, clients were more critical of the allowance program in St. Joseph County than in Brown County, expressing greater dissatisfaction both with the program in general and with its specific aspects.[7] The differences between client populations do not seem to stem so much from differences in how the program operates in each area than from past experiences with other government programs and different cultural and political styles. As

noted in Sec. II, St. Joseph County residents have had more experience with government housing programs--and with the scandal associated with such programs--than have their counterparts in Brown County. They have also been more exposed to ethnic and racial rivalry, political corruption, and organizational activism. That experience has given them reason to suspect bureaucrats of wrongdoing and favoritism, as well as the impetus to complain when they feel they are not being well treated.

Curiously, though St. Joseph County enrollees were generally more critical of the allowance program, they were also more frequently positive toward it; for example, they evaluated its management and its benefit to the community more positively than did Brown County enrollees (see Table 7.5). The anomaly occurred because Brown County enrollees were more likely to express a neutral opinion or to say they had no opinion at all.[8]

Although Brown County clients clearly liked the program, they appeared reluctant to give it their unqualified approval. Perhaps the novelty of the program's approach combined with the community's relative lack of experience with federal housing assistance underlay their reservations.[9] The greater conservatism of Brown County clients is also reflected in their attitude toward tax support of the allowance program and toward national housing policy (see Table 7.5). Almost two-fifths of those enrolled in Brown County's allowance program were not sure it was worth the taxes (vs. 20 percent in St. Joseph County) and nearly a quarter were against or uncommitted to

the notion of federal housing aid to people with low and moderate incomes (11 percent in St. Joseph County).[10] Brown County's overall acceptance of the experimental program does not necessarily imply that its residents would approve a national housing allowance program.

Client Complaints [11]

When clients called the HAO, their most frequent complaint concerned payments--primarily that the check had not yet arrived. In Brown County, 67 percent of client problem calls related to pocketbook issues; in St. Joseph County, the corresponding figure was 77 percent (see Table 7.6).[12]

Very few clients attended any housing information sessions,[13] although complaints about inadequate information were not infrequent.[14] Clients in both sites appeared willing to sacrifice the opportunity to acquire information if it meant spending more time at the HAO.

The main substantive difference in the complaint calls between the two sites was that Brown County clients experienced greater difficulty with their landlords. Though the total numbers are small, almost 10 percent of the complaints were about such problems, compared with less than 2 percent in St. Joseph County. In most cases the landlord was raising the rent or threatening to evict the tenant. Surprisingly, only two calls reported a landlord's refusal

Table 7.6

CLIENT COMPLAINTS ABOUT THE PROGRAM: BROWN AND
ST. JOSEPH COUNTIES, APRIL-DECEMBER 1976

Subject	Brown County Complaints		St. Joseph County Complaints	
	Number	Percent of 122 Calls	Number	Percent of 1,003 Calls
Payments	82	67.2	771	76.9
Information or time costs	9	7.4	92	9.2
Client ineligibility	1	0.8	80	8.0
Landlord	12	9.8	14	1.4
Other tenants	--	--	2	0.2
Staff	1	0.8	13	1.3
Housing evaluation	5	4.1	12	1.2
Confidentiality	1	0.8	--	--
Services or outreach ^a	3	2.5	6	0.6
General disapproval of program	--	--	--	--
Other program aspects ^b	7	5.7	23	2.3
Other	1	0.8	10	1.0

SOURCE: Tabulated by HASE staff from problem calls recorded by the program offices in Sites I and II.

NOTE: One week out of the month, the HAO staff logs all calls to the office and records all problems or complaints. The data cover different phases of enrollment in the two sites, affecting both the number and types of complaints received.

^a"Services" refers to additional services clients would like the HAO to provide, such as help in repairing their unit. "Outreach" refers to complaints about program advertising.

^bIn Site I, includes complaints of effects on other benefits such as food stamps (5) and that payments are too high (1). In Site II, includes complaints about effects on other benefits (12); objections to documentation (4), recertification (1), the lease (2), too severe eligibility requirements (1); and complaints that the standard cost of adequate housing is too high and confidentiality precautions too stringent (2).

to sign a lease or to repair the client's unit. The program's lease requirement introduced a relatively new element into landlord/tenant relations in Brown County, but it did not appear to cause much friction between the two groups.[15]

In both sites, clients rarely called to complain about the housing evaluation requirement, checks on their income, or the competence or helpfulness of the staff. However, as we shall see below, housing evaluation standards ranked second among the program policies that St. Joseph County enrollees thought should be changed. We suspect that clients in both sites do complain about the housing evaluation but usually not when the evaluator is in their home.

The infrequency of complaints about income verification is surprising. Clients in both sites seemed to accept the requirement as a reasonable price of receiving government aid. Indeed, South Bend enrollees appeared to welcome such controls on how allowances are disbursed. Fully 85 percent of St. Joseph County clients believed the HAO should check on the income of everyone who receives payments, and only 4 percent minded "very much" being checked themselves. The rarity of complaint calls about the staff corresponds with the survey findings mentioned above.

Finally, clients rarely expressed fears that their privacy would be violated, either through the careless treatment of confidential information or the deliberate identification of clients to the press or other government agencies. In South Bend, concern over that issue caused a brief flurry of meetings with community spokesmen early in

1975, but in both sites the HAO appears to have demonstrated its good faith by the careful handling of confidential data.

Program Features Clients Would Like Changed

As mentioned above, 31 percent of the enrollees in St. Joseph County and 14 percent of those in Brown County said they would like to see changes in the allowance program. What kind of changes did they have in mind? We have tabulated the survey responses on that question for St. Joseph County clients only (Table 7.7); their answers closely parallel the concerns expressed in client calls to both program offices.[16] The table shows that clients advocated changes in program standards more than twice as often as changes in program administration.[17] Most clients seemed to think the standards are administered fairly--that if their payment was too small it was not because the staff applied different rules to different people.

As one might expect, the dominant client wish was for larger payments, expressed most frequently in complaints that the income, asset, or R* limits were too low. Others were bothered by the lack of front-end money that would make it easier for a client to repair his dwelling or move to one that was certifiable.[18] Only one client urged that checks arrive on time, suggesting that concern for the timeliness of payments--the dominant stimulus of client calls to the HAO--was largely forgotten once the late check had been received.

Table 7.7

PROGRAM CHANGES SUGGESTED BY ST. JOSEPH COUNTY
ENROLLEES, WAVE 2

Change	Number of Responses	Percent
<i>Program Standards</i>		
Increase allowances, income limits	59	23.8
Ease housing standards	34	13.7
Pay for moving or repairs	19	7.7
Payments should precede repairs	12	4.8
Ease eligibility	12	4.8
Tighten eligibility	11	4.4
Don't tax other income transfers	11	4.4
Other program standards	14	5.6
<i>Program Administration</i>		
Provide more information	19	7.7
Toughen checks on income, spending	18	7.3
Improve staff	13	5.2
Provide more services	9	3.6
Shorten interviews or paperwork	3	1.2
Increase privacy	3	1.2
Other program administration	6	2.4
<i>Other Changes</i>		
Expand program, end program, other	5	2.0
Total	248	100.0

SOURCE: Tabulated by HASE staff from records of the survey of households, Site II, wave 2.

NOTE: Entries are based on the unweighted responses of 176 enrollees who said they would like program changes, out of 565 enrollees who answered the question.

Clients' desires for larger payments should not be interpreted as symptomatic of an insatiable appetite for financial aid. Indeed, in St. Joseph County nearly half the survey respondents regarded their payments as about right, and in Brown County about three-fifths were satisfied with the amount of their allowance. Moreover, both sites experienced considerable inflation after the payment formula was approved, and the HAO responded by recalculating the standard cost of adequate housing in each county. However, most clients did not receive the subsequently increased payments until after the period covered here.

Easing the housing standards or the inspection requirement ranked second among changes desired by St. Joseph County clients, reflecting the fact that 31 percent were not receiving allowances at the time of the survey. Most wanted fewer inspections or less stringent housing standards; others urged that the program allow disbursement of payments before standards are met. Only one client thought the housing evaluation requirement should be eliminated altogether.

Client suggestions for changes in eligibility requirements emphasized limits on income and assets (13 percent)[19] rather than restrictions based on age, residence, or family composition (5 percent). A few also advocated eliminating taxes on other transfer payments (such as food stamps) as another means of increasing their overall allowance.

As for program implementation, clients most frequently asked for more information--particularly clarification of program requirements and

information on how to locate housing, how to get money for repairs, and how to make them. Some also wanted the staff to spend more time with them and to help in landlord negotiations.

Several aspects of the program that we thought might annoy clients did not. They include the income verification requirement, the lease and lease/leaseback provisions, requirements for detailed information on family finances, and program advertising.[20] During the first year of program operations, each of those matters generated sufficient controversy to warrant attention from program managers, but few clients now appeared irritated by them.

Instead, a surprisingly large group thought the HAO should tighten program requirements or controls--making stricter or more frequent checks on who gets the money, how they use it, and how well they keep up their homes. Seven percent of those suggestions referred to program administration (e.g., the frequency of program checks); another 9 percent advocated stricter program standards. Clearly, many clients shared the larger population's concerns about the possibility of program abuse or waste. And in St. Joseph County, nearly all indicated a willingness to have their own income checked in the interests of ensuring program integrity.

CLIENT ATTITUDES TOWARD THEMSELVES AND WELFARE RECIPIENTS

Like the general population in both sites, clients appear to disassociate themselves from the welfare image common to most other

income transfer payment programs. Figure 6 shows that while a substantial majority of clients in both sites expressed approval of allowance recipients, only half in St. Joseph County approved of welfare recipients and less than a third did so in Brown County. The larger household population made similar, but less sharp, distinctions. Brown County enrollees made the clearest distinctions between the two groups and were even less sympathetic toward welfare recipients than the general population. That both clients and the larger population distinguish between welfare and allowance recipients suggests: (a) that experience with the program has diminished fears that the allowance program would be "just another welfare giveaway," and (b) that Brown County clients find it particularly stressful to apply for government aid.

CONCLUSIONS

In general, the allowance program seems to be fulfilling client expectations. Despite a desire for easier standards and larger benefits, clients express overall approval of the program and relatively few complaints about how it is administered. Indeed, their concern about preventing abuse indicates that they feel a personal stake in preserving both the program's integrity and its distinctly nonwelfare image.

In fact, the allowance program seems to have successfully divorced itself from the welfare image. It has also enjoyed good relations with its clients and suffered little hostility toward program

**ENROLLEES
(UNWEIGHTED)**

BROWN COUNTY



ST. JOSEPH COUNTY



**HOUSEHOLD
HEADS**

BROWN COUNTY

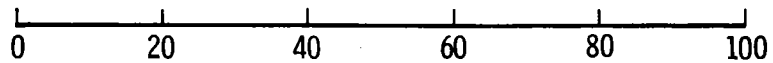


ST. JOSEPH COUNTY



KEY:

RESPONDENT APPROVES OF:



PERCENT OF ALL RESPONDENTS

Fig. 6—Attitudes toward persons receiving income transfer payments:
Brown and St. Joseph counties, wave 2

controls--controls recipients of other transfer payments often view with cynicism. There may be a lesson in these achievements--that program legitimacy and harmonious staff-client relations facilitate program implementation.

NOTES TO SECTION VII

1. To avoid any association with the housing allowance office, client interviews are conducted as part of the annual survey of households, the bulk of which asks about housing and neighborhood characteristics, past mobility and employment, and housing expenses. The surveys are conducted for Rand by subcontractors who do not know ahead of time whether the respondent is an HAO client and who assure him of the confidentiality of his responses. We think those procedures maximize the frankness of client responses and minimize fears that unfavorable evaluations might jeopardize allowance benefits.

2. The quarterly site monitoring reports (those already published or soon forthcoming are listed in the Bibliography) discuss in more detail client concerns about the lease, income verification, and confidentiality aspects of the allowance program.

3. Mexican-Americans did not appear to be overrepresented in our enrollee sample. The proportions for the general population and for clients are about equal, and both are under one percent.

4. In Brown County, however, where blacks and Indians constitute less than 2 percent of the population, racial attitudes did not separate allowance clients from the rest of the population. Enrollee attitudes toward whites in both sites paralleled those of the population as a whole.

5. The difference is not all attributable to the fact that almost half the St. Joseph County enrollees are black. Among white enrollees, 52 percent thought whites and blacks should live in the same neighborhood. The corresponding figure for black enrollees was 98 percent.

6. In April 1976, the value of the standard cost of adequate housing in Brown County was adjusted upward to take account of inflation after the program started. A similar readjustment was made in St. Joseph County in September 1976. Whether those events clarified or confused clients' understanding of how and when payments change awaits analysis of later data.

7. The difference is consistent with the higher frequency of client complaint or problem calls to the St. Joseph County HAO, discussed below.

8. The reluctance to give a definite opinion showed up in questions about whether the program was being run as it should be, was being run by smart people who knew what they were doing, and was worth the taxes. It did not show up in the general questions about whether the

program was a good idea or about personal satisfaction with the program. Nor did it appear in judgments about other program aspects such as payments or attitudes toward program staff.

9. Some allowance recipients waited more than two years to fill out an application because they wanted to see if the program would last. See Gray (forthcoming (a)).

10. Variations in question wording may account for part of the difference between the two sites. In Brown County, respondents were asked whether the experimental allowance program was worth the taxes; in St. Joseph County, the question referred to a national allowance program. However, the cost to the taxpayer of an experimental program in two sites would be considerably lower than that for a national program. Hence one might have expected a greater proportion of unfavorable responses in St. Joseph County. The fact that the reverse occurred further underlines the conservatism of Brown County clients.

11. This section is based on client telephone calls to each HAO. During one week out of every month, every client call is recorded and the substance of problems or complaints written down. The months reported here are April through December 1976.

12. The main reason clients may receive their payments later than they expect is that changes in payment status usually require issuing checks manually, which takes longer than issuing them by computer.

13. About 15 percent of the 567 enrollees surveyed in St. Joseph County attended a session; about 10 percent of the 240 enrollees in Green Bay attended one.

14. From April through December 1976, 60 client calls to the South Bend HAO involved information problems; the corresponding figure for Green Bay was 3. The difference in part reflects differences in the stages of program development. During the period covered by the reports, the HAO in St. Joseph County was enrolling many new clients, whereas in Brown County the program was no longer growing.

15. Before the allowance program, leases were fairly common in St. Joseph County but relatively rare in Brown County.

16. The major differences between client calls and survey responses are as follows: Complaints about the housing evaluation process and suggestions for stricter program controls were more frequent in the survey; and survey respondents with monetary complaints were dissatisfied with the size of the allowance rather than with the timing of the check.

17. Since the size of the payment and eligibility for an allowance are based on program rules, that emphasis is logical.

18. If we include preferences that payments be given before repairs are made, concerns about front-end money totaled 12.5 percent.

19. The 13 percent is included in the first suggested change listed in Table 7.7, "increase allowances, income limits."

20. Only one client wanted the lease eliminated, and only three responses indicated concern about invasion of privacy or insufficient protection of confidential information. Complaints about advertising and the lease/leaseback arrangement (which dominated early calls to the Brown County HAO) were expressed by only three St. Joseph County enrollees.

Appendix

FEATURES OF THE HOUSING ALLOWANCE PROGRAM

The Housing Assistance Supply Experiment operates identical experimental allowance programs at each of two sites; and within each site, housing allowances are available to all eligibles on essentially the same terms and conditions.

Features to be tested in the experiment were chosen as a first approximation to those of a national program with fullscale participation. By selecting sites with contrasting market characteristics, we hope to learn how different housing markets will respond to the same general program. The key features of our experimental sites and program are summarized below.

EXPERIMENTAL SITES

The experiment is being conducted in two contrasting metropolitan housing markets. Site I is Brown County, Wisconsin--a Standard Metropolitan Statistical Area (SMSA) whose central city is Green Bay. Site II is St. Joseph County, Indiana, a portion of an SMSA whose central city is South Bend.[1] Both are self-contained housing markets in that their boundaries are drawn through thinly populated territory at some distance both from their own central cities and from other population centers.

These places were selected from all the nation's SMSAs by a multistage screening process reflecting basic requirements of experimental design and constraints on program funding. Design considerations led us to search for housing markets that were likely to respond differently to the experimental allowance program yet were each typical in certain respects of a substantial portion of all metropolitan housing markets. Available program funding limited the choices to markets with populations of under 250,000 persons (about 75,000 households) in 1970, the size and cost of the experimental allowance program depending on the number of eligible households within the program's jurisdiction.

Brown County was selected as representative of metropolitan housing markets with rapidly growing urban centers (hence with relatively tight housing markets) and without large racial minorities (hence with minimal problems of residential segregation or housing discrimination). St. Joseph County was selected as representative of another group, metropolitan housing markets that have declining urban centers which contain large, growing populations of blacks or other disadvantaged minorities. This combination characteristically leaves low-income minority households concentrated in deteriorating central-city neighborhoods that have an excess supply of older housing, while new housing is built mostly in surrounding all-white suburbs.

Although no two metropolitan areas can reflect all the important combinations of housing-market features, we believe that these two offer powerfully contrasting environments for the experimental housing allowance program. By observing and analyzing similarities and differences between these sites in market responses to the program, we expect to be able to judge the pertinence of the housing allowance concept to housing problems in other metropolitan markets.[2]

PROGRAM ADMINISTRATION

The experimental allowance program is administered in each site by a housing allowance office (HAO), a nonprofit corporation whose trustees include members of The Rand Corporation and local citizens. At the end of a five-year monitoring program, it is expected that the HAO will operate entirely under local control.

Funds for the program come from a ten-year annual contributions contract between HUD and a local housing authority, pursuant to Sec. 23 of the U.S. Housing Act of 1937, as amended. The local housing authority in turn delegates operating authority for the program to the HAO.

ASSISTANCE FORMULA

The amount of assistance offered to an eligible household is intended to enable that household to afford well-maintained

existing housing with suitable space and facilities for family life, free of hazards to health or safety. Periodic market studies conducted by Rand in each site provide estimates of the "standard cost of adequate housing" for each size of household. Allowance payments fill the gap between that amount and one-fourth of the household's adjusted gross income, with the constraint that the amount of assistance cannot exceed the actual cost of the housing services consumed by a participant.

ELIGIBILITY FOR ASSISTANCE

A household is eligible to participate in the allowance program if it consists of (a) one person, either elderly (62 or over), handicapped, disabled, or displaced by public action, or (b) two or more related persons of any age; provided also that current income and assets are within specified limits and that the household does not already receive equivalent assistance under another federal housing program. The income limit is set by the assistance formula itself: When adjusted gross income exceeds four times the standard cost of adequate housing for a given household size, allowance entitlement drops to zero. The net asset limit is \$32,500 for households headed by elderly persons and \$20,000 for others.

Adjustments to gross income generally follow those of the federal public housing program, with deductions for work-related expenses

and for dependents and elderly persons. Transfer income (e.g., public assistance and social security) is included in gross income. An unusual feature of the program is that the asset ceiling has been set relatively high, so as to avoid excluding homeowners with low current incomes. However, gross income is calculated to include imputed income from home equity and other real property that does not yield a cash flow, so that allowance entitlement decreases for larger holdings of such assets.

HOUSING CHOICES

Program participants may be either renters or homeowners, and they may change their tenure or place of residence (within the boundaries of the experimental site) without affecting their eligibility for assistance. Participants are encouraged to seek the best bargains they can find on the private market, negotiating terms and conditions of occupancy with the landlord or seller. They are provided with market information (if they request it) and with equal opportunity assistance (if necessary); but they are neither directed to particular neighborhoods or types of housing nor required to spend specific amounts, except as noted below.

The use of allowance payments by program participants is constrained in two ways. First, in order to receive monthly payments, a participating household must occupy a housing unit that meets standards of adequacy, a requirement enforced by

periodic evaluations conducted by the HAO. Second, the participant must spend at least the amount of his allowance for housing services (contract rent and utilities for renters; mortgage interest, property taxes, insurance, maintenance and repairs, and utilities for homeowners).

Since the allowance entitlement for all but the poorest households is less than the estimated standard cost of adequate housing, the first provision is the most significant. A participant who finds certifiable housing at less than standard cost will not need to contribute a full 25 percent of his nonallowance income to cover his housing costs. On the other hand, if he chooses a unit with costs that are above standard, he will not receive any additional payment but must bear the excess cost from nonallowance income. Thus, the allowance formula provides an incentive to seek housing bargains, while the minimum standards provision ensures that the program's housing objectives will be met by all participants.

ASSISTANCE TO RENTERS

A renter household enrolling in the allowance program must submit evidence of income and household size, on which the amount of its allowance entitlement is based. The household may continue to reside in the unit it occupies at the time of enrollment or it may seek another unit, as long as the unit meets program

standards. Once the HAO has certified the housing unit and has received a copy of the lease agreement between the tenant and landlord, it begins issuing monthly allowance checks to the head of the household. It reviews income and household size every six months, adjusting allowance payments accordingly, and it reevaluates the housing unit annually, suspending payments if the unit falls below program standards.

The amount of contract rent and the responsibility for utility costs are a matter between the landlord and tenant, as are the enforcement of lease provisions and the resolution of disputes. The HAO has no contractual relationship with the landlord. In the event that a housing unit becomes uncertifiable while it is occupied by a program participant, it is the participant's responsibility to work with the landlord to correct the deficiencies or else to find other quarters that meet program standards.

ASSISTANCE TO HOMEOWNERS

Assistance to homeowners follows as nearly as possible the format of assistance to renters. However, prior to October 1975, a nominal landlord-tenant relationship between the HAO and the homeowner was created by means of a lease-leaseback agreement. This agreement did not alter the locus of title to the property and could be terminated by the homeowner at any time. While it

was in effect, the homeowner received monthly assistance checks subject to the same conditions that applied to renters and had full responsibility for the maintenance of his property and for insurance, property taxes, and any outstanding mortgage obligations; the HAO had no obligations to the mortgage holder.

The lease-leaseback agreement was designed so that homeowners could be assisted under the provisions of Sec. 23 of the U.S. Housing Act of 1937, as amended prior to the time the allowance program was implemented. However, the Housing and Community Development Act of 1974 amended Sec. 23 in a way that allows direct assistance to homeowners in the experimental program. In October 1975, the lease-leaseback requirement was accordingly terminated and homeowners now receive monthly allowance payments without this formality.

ASSISTANCE TO HOME PURCHASERS

Although home purchase is an option open to those enrolled in the allowance program, we do not expect it to be exercised often, because of financial constraints. Even with program assistance, eligible households will not ordinarily be able to afford new single-family homes; their ability to purchase older homes will depend on their liquid assets and on the availability of mortgage credit on terms they can afford.

The experiment will test whether lenders will consider ten years of allowance entitlement a sufficient income supplement and stabilizer to warrant extending mortgage credit to households for whom it is not now usually available. In addition, local or state assistance to low-income home purchasers may be used to supplement the housing allowance.

NOTES TO APPENDIX

1. The remainder of the SMSA is Marshall County, which contains no large cities.

2. To assist in the application of experimental results to larger SMSAs, we suggested that HUD consider a third experimental site, consisting of a low-income neighborhood in a large metropolitan area, with enrollment in the allowance program restricted to that neighborhood. However, we were advised that funding for any such addition would be difficult to obtain.

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