

RECENT EVIDENCE ON HOUSING EFFECTS

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Results from Several of Our Recent Studies

Data

- Multiple waves of the 50+-year Panel Study of Income Dynamics linked via geocodes to Census, HUD, and other data
- Health outcomes: National Health Interview Survey linked to HUD

Approach

- Quasi-experimental research design for all studies

Focus today on results

1. Housing Affordability & Child Development

(a) Most prevalent housing problem; affects ~70% of low- and moderate-income families with children.

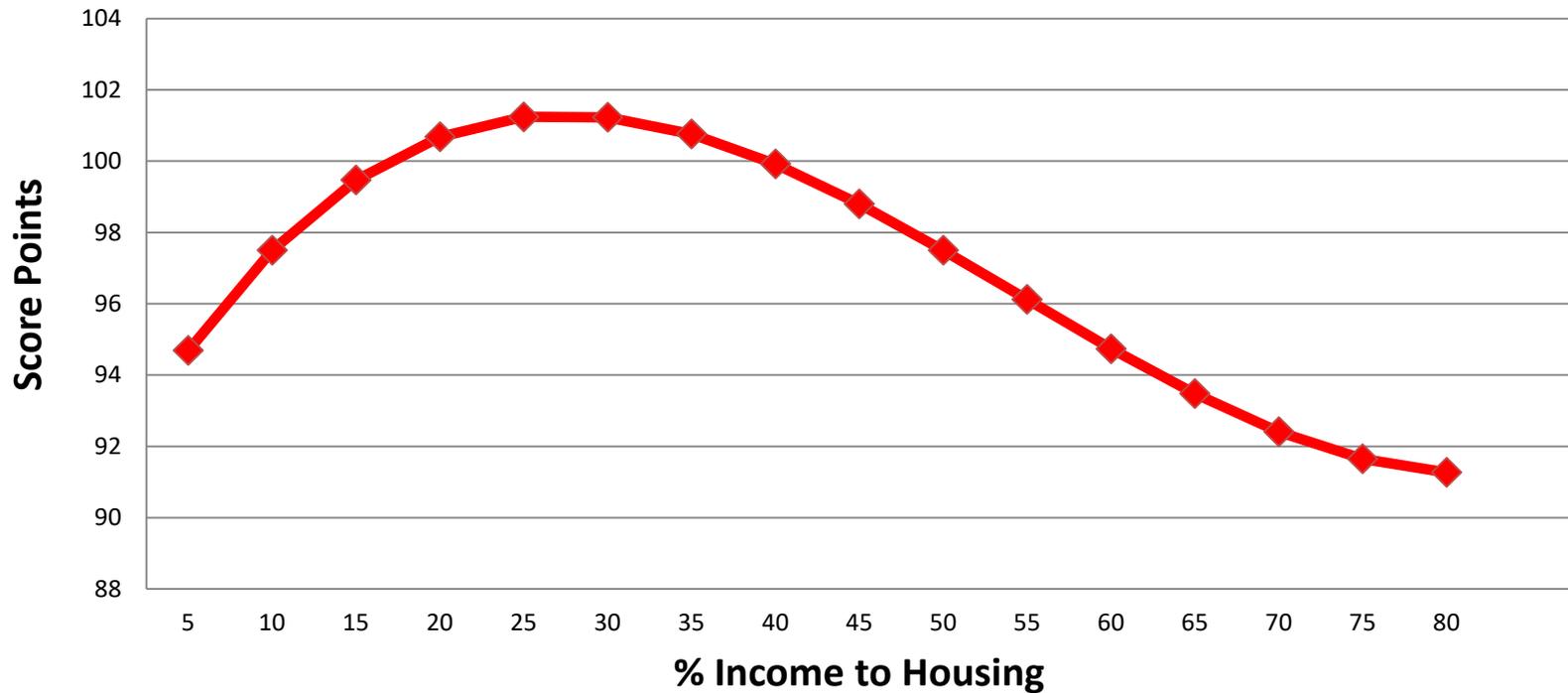
(b) How might housing affordability affect children's cognitive performance, one aspect of their development?

- Conventional view: Unaffordability reduces discretionary income, forcing cutbacks in other expenditures (e.g., necessities, enrichment)
- Unconventional view: A lower-income family spending *too little* on housing is likely to live in a poor-quality unit in a poor-quality neighborhood, thereby compromising their child's cognitive development
- If both apply: We should see an inverted U-shaped relationship between child cognitive scores (Y axis) and housing cost burden (X axis), with the maximum child score at a ~ 30% housing cost burden

[Sources: Newman & Holupka *JHE* 2014; *HPD* 2014]

1. Housing Affordability (cont'd)

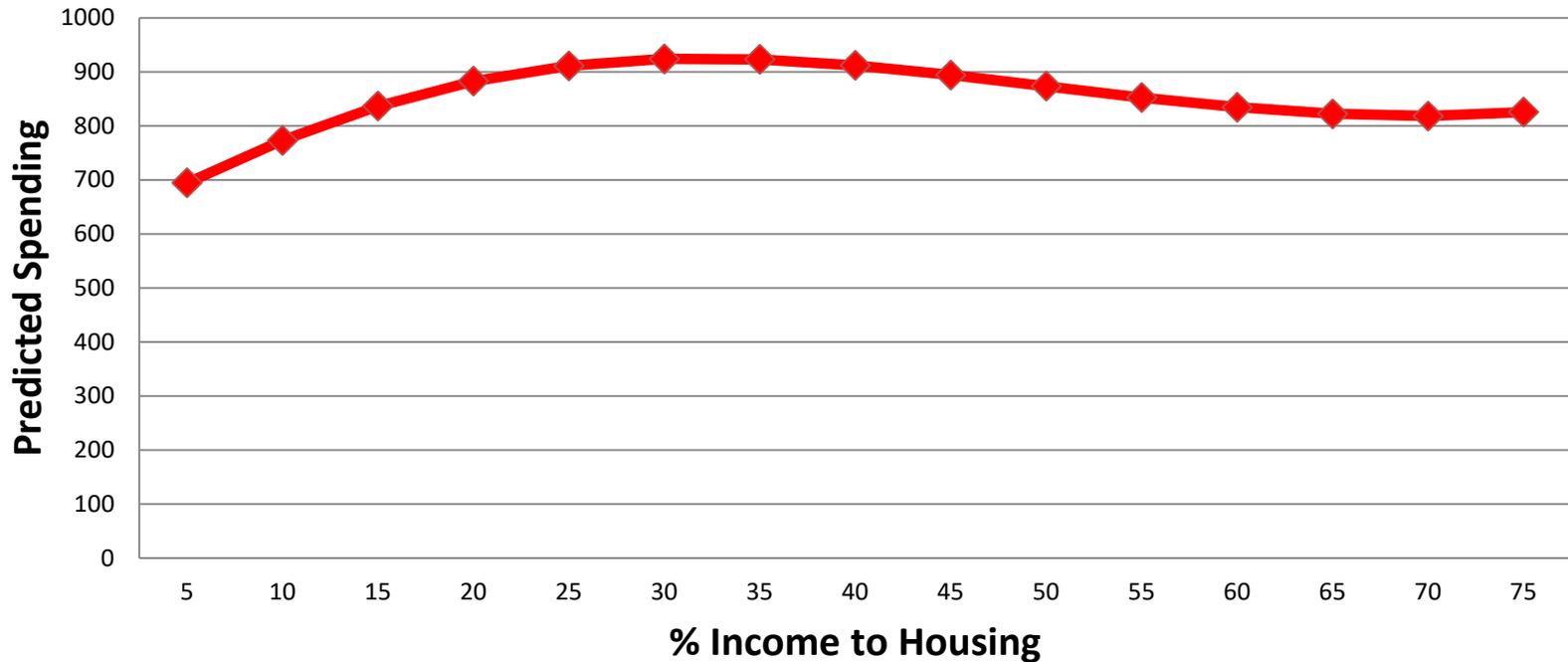
Relationship between child cognitive achievement and fraction of household income spent on housing



1. Housing Affordability (cont'd.)

- Question: *Why* does this occur? *How* do affordable housing “savings” get translated into better cognitive performance of children?

Relationship between child enrichment expenditures and the fraction of household income spent on housing



2. Assisted Housing & Child Development

- (a) > 4 million children live in assisted housing; ~\$40+ billion annual cost of assisted housing programs
- (b) How might assisted housing affect children's cognitive performance and socio-emotional adjustment, 2 components of child development?
- Affordability: Assisted housing guarantees affordability, which appears to play a role at least in cognitive achievement
 - Standard, decent housing: On average, assisted housing should provide a HU that meets basic standards and is better maintained relative to Hus of comparably poor families RE:
 - HQS; regular physical inspections
 - direct or indirect effects of physical adequacy via parent(s)
 - Neighborhood effects: Uncertain
 - collective socialization v. relative deprivation
 - effects on black male youth (Brooks-Gunn et al. 1993)

2. Assisted Housing & Child Development (cont'd.)

Results:

- (1) After accounting for selection, we find no beneficial effects for the average case (similar to the most rigorous studies of assisted housing effects)

- (2) But nil findings do *not* apply to all children; i.e., we find important subgroup differences
 - Assisted housing provides a boost for children with higher cognitive scores and better socio-emotional adjustment
 - Assisted housing has the opposite effect on children with low cognitive scores and poor socio-emotional adjustment

- (3) No evidence that housing or neighborhood conditions play a role, leaving affordability as a prime suspect (now studying)

[Source: Newman & Holupka AJCP 2016]

3. Assisted Housing & Health Outcomes

- (a) Difficult to study until creation of the linkage between the National Health Interview Survey and HUD administrative data
- (b) Results of recent studies exploiting these data using a quasi-experimental design:
 - (1) **Child mental health:** improvement among children living in public housing (Fenelon et al. *JHSB* 2018)
 - (2) **ER use for child asthma:** 25% lower among children in public and multifamily housing compared to children waiting to enter assisted housing (Boudreaux et al. *forthcoming*)
 - . Asthma-related ER visits cost Medicaid/CHIP ~\$272 mil/year (\$433 for average visit)

4. Race, Homeownership & Net Worth in the Tumultuous 2000s (Newman & Holupka *REE* 2015)

(a) 2 questions:

- (1) Were there disparities in wealth accumulation of black and white first-time homebuyers in the volatile 2000 decade?
- (2) If so, what explains these disparities?

Results:

- Wholly different experiences for blacks and whites
- (1) Whites: Timing of purchase was critical. Buying in robust period led to short-term growth in net worth. Buying in recessionary years led to losses.
 - (2) Blacks: Lost regardless of timing. Appears to be driven largely by location: blacks purchased homes in more disadvantaged neighborhoods that continued to deteriorate over the decade compared with whites; e.g.,
 - House prices ~20-38% lower than whites
 - House prices fell over the decade
 - Homeownership rate lower and falling
 - Racially segregated

Thank you!

Boudreaux, M. et al. (forthcoming). “Childhood Asthma and ER Use after Entry into Federal Rental Assistance.” *JAMA Pediatrics*

Fenelon et al. (2018). “The Impact of Housing Assistance on the Mental Health of Children in the United States.”

<https://journals.sagepub.com/doi/10.1177/0022146518792286>

Newman & Holupka (2014). “Housing affordability and investments in children.”

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Newman & Holupka (2015). “Housing Affordability and Child Well-Being.”

<https://www.tandfonline.com/doi/full/10.1080/10511482.2014.899261#>

Newman & Holupka (2016). “The Effects of Assisted Housing on Child Well-Being.” <https://onlinelibrary.wiley.com/doi/full/10.1002/ajcp.12100>

Newman & Holupka (2016). “Is Timing Everything? Race, Homeownership and Net Worth in the Tumultuous 2000s.”

<https://onlinelibrary.wiley.com/doi/full/10.1111/1540-6229.12118>