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)

(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!


